

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

_____ Resolution or Ordinance (Blue) _____ *Waiver of First Requested*
_____ Recommendations of Boards, Commissions & Committees (Green)
 X Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: David A. Hulseberg, Village Manager *DAH*

DATE: May 28, 2013 (COW)(B of T) June 6, 2013

TITLE: A Motion Authorizing Execution of a Legal Services Agreement for the Collection of Unremitted Hotel/Motel Taxes

SUBMITTED BY: Timothy Sexton, Director of Finance

BACKGROUND/POLICY IMPLICATIONS:

In early April, a lawsuit was filed against several online travel companies by seven municipalities to recover unpaid taxes from the online travel companies. The following municipalities are currently involved in the lawsuit: Warrenville, Oakbrook Terrace, Rockford, Bedford Park, Oak Lawn, Orland Hills, Willowbrook, Tinley Park, Burr Ridge, Orland Park and Des Plaines. Schaumburg, Itasca and Arlington Heights are considering the lawsuit this week. Numerous other municipalities are in discussions to join the lawsuit.

The attached legal agreement is provided for Lombard to join the lawsuit. The law firms involved are representing the municipalities on a contingent fee basis, where they would fund all the costs of the litigation and then they would only collect a percentage of the recovery if there is a successful recovery.

Staff recommends that the Village join this lawsuit to pursue unremitted taxes from the online travel companies, and requests authorization to execute the legal services agreement. The Village Attorney has reviewed the agreement and sees no reason to propose any changes.

Review (as necessary):

Village Attorney X _____ Date _____
Finance Director X *Timothy Sexton* _____ Date 5/29/13
Village Manager X *David A. Hulseberg* _____ Date 5/29/13

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.