

050652

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

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

TO : PRESIDENT AND BOARD OF TRUSTEES

FROM: William T. Lichter, Village Manager

DATE : November 10, 2005
B of T November 17, 2005

SUBJECT: Referendum Requesting Authority to Impose a Non-Home Rule Retailers' Occupation Tax and a Non-Home Rule Service Occupation Tax

SUBMITTED BY: William T. Lichter, Village Manager

BACKGROUND/POLICY IMPLICATIONS:

At its meeting of November 3, 2005, the Village Board accepted the recommendation of the Finance Committee to place a referendum question on a future ballot to impose a 1/2% non-home rule sales tax. At that time, direction was given to place the question on the ballot at the March 21, 2006 election. The attached ordinance addresses that direction. A waiver of first reading is requested.

Fiscal Impact/Funding Source:

Review (as necessary):

Finance Director _____
Village Manager _____
Date 11/10/05

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.

WRITER'S DIRECT DIAL

WRITER'S E-MAIL

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BRUCE A. ZOLNA
OF COUNSEL
JAMES A. RHODES
RICHARD T. WIMMER

TO:

William T. Lichter, Village Manager

FROM:

Tom Bayer, Village Attorney

DATE:

November 9, 2005

RE:

Referendum Requesting Authority to Impose a Non-Home Rule Retailers' Occupation Tax and a Non-Home Rule Service Occupation Tax

Pursuant to the direction of the President and Board of Trustees at the November 3, 2005 meeting, enclosed please find the following Ordinance for adoption by the President and Board of Trustees at a future Village Board meeting (must be adopted no later than the January 5, 2006 Village Board meeting):

AN ORDINANCE OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS, SUBMITTING A PROPOSITION TO IMPOSE A NON-HOME RULE MUNICIPAL RETAILERS' OCCUPATION TAX AND A NON-HOME RULE MUNICIPAL SERVICE OCCUPATION TAX TO THE VOTERS OF SUCH VILLAGE AT THE GENERAL PRIMARY ELECTION SCHEDULED FOR MARCH 21, 2006

Also enclosed please find a Clerk's Certificate to the Election Authority. The Clerk's Certificate to the Election Authority, with a certified copy of the fully executed Ordinance attached to it, must be filed with the DuPage County Board of Election Commissioners on or before January 19, 2006.

If there are any questions, please feel free to call.

TPB/cag

Enclosures

cc: Brigitte O'Brien, Village Clerk

Leonard Flood, Finance Director

Timothy Sexton, Assistant Finance Director

ORDINANCE NO. _____

**AN ORDINANCE OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS,
 SUBMITTING A PROPOSITION TO IMPOSE A
 NON-HOME RULE MUNICIPAL RETAILERS' OCCUPATION TAX AND A
 NON-HOME RULE MUNICIPAL SERVICE OCCUPATION TAX
 TO THE VOTERS OF SUCH VILLAGE AT THE
 GENERAL PRIMARY ELECTION SCHEDULED FOR MARCH 21, 2006**

WHEREAS, the President and Board of Trustees of the Village of Lombard, DuPage

County, Illinois, are subject to the requirement of prior referendum approval, authorized to impose a non-home rule municipal retailers' occupation tax and a non-home rule municipal service occupation tax, each at a rate not to exceed one-half (1/2) of one percent (1%), until December 31, 2005, and at a rate of not to exceed one percent (1%) thereafter, all pursuant to 65 ILCS 5/8-11-1.1 through 5/8-11-1.4, as amended by Public Act 94-0679, for public infrastructure; and

WHEREAS, the President and Board of Trustees have determined that it is in the best interests of the Village to seek referendum approval for the aforementioned taxes;

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of

the Village of Lombard, DuPage County, Illinois, as follows:

SECTION 1: That the following proposition shall be submitted to the voters of this

Village at the general primary election to be held on Tuesday, the 21st day of March, 2006 (the

"Election");

"Shall the Village of Lombard impose a tax under the Non-Home Rule Municipal Retailers' Occupation Tax Act (65 ILCS 5/8-11-1.3) at the rate of 1/2 of 1% for expenditure on public infrastructure and impose a tax under the Non-Home Rule Municipal Service Occupation Tax Act (65 ILCS 5/8-11-1.4) at the rate of 1/2 of 1% for expenditure on public infrastructure?"

SECTION 2: That the Election shall be held in the voting precincts and at the polling

places established for the Village by the Board of Election Commissioners of DuPage County,

Illinois (the "Election Commissioners").

SECTION 3: That notice of said Election shall be given in accordance with The Election

Code of the State of Illinois, 10 ILCS 5/1 *et seq.* (the "Code") by the Executive Director of the Election Commissioners by publishing notice thereof once in one or more newspapers published in the Village of Lombard, and if none, then published once in a local, community newspaper, having general circulation in the Village of Lombard, and also once in a newspaper published in DuPage County, the date of such publication of such notice to be at least ten (10) days prior to the date of said Election, but not more than thirty (30) days prior to the date of said Election, all in accordance with Article 12 of the Code.

SECTION 4: That where an electronic, mechanical, or electric voting system ("Electronic Voting System") is used at the Election, a true and legible copy of the specimen ballot label to be used at the Election shall be made available for public distribution and shall be supplied to the judges of said Election for posting in the polling places on the date of the Election, as required by § 24A-18 of the Code.

SECTION 5: That it is hereby found and determined that the *Lombard Spectator* is a local community newspaper having general circulation in the Village as required by §§ 12-4 and 12-5 of the Code.

SECTION 6: That said Notice shall include the following:

NOTICE OF ELECTION

VILLAGE OF LOMBARD

NOTICE IS HEREBY GIVEN that at the general primary election held on Tuesday, March 21, 2005, the following question will be submitted to the voters of the Village of Lombard, DuPage County, Illinois:

"Shall the Village of Lombard impose a tax under the Non-Home Rule Municipal Retailers' Occupation Tax Act (65 ILCS 5/8-11-1.3) at the rate of 1/2 of 1% for expenditure on public infrastructure and impose a tax under the Non-Home Rule Municipal Service Occupation Tax Act (65 ILCS 5/8-11-1.4) at the rate of 1/2 of 1% for expenditure on public infrastructure?"

/s/ Robert T. Saar
Executive Director
Board of Election Commissioners of DuPage County

General Primary Election - Tuesday, March 21, 2006
VILLAGE OF LOMBARD
DU PAGE COUNTY, ILLINOIS
Ballot for voting on proposition
to impose a non-home rule municipal
retailers' occupation tax and
non-home rule municipal service occupation tax

(BACK OF BALLOT)
OFFICIAL BALLOT

YES	Shall the Village of Lombard impose a tax under the Non-Home Rule Municipal Retailers' Occupation Tax Act (65 ILCS 5/8-1-1.3) at the rate of 1/2 of 1% for expenditure on public infrastructure and impose a tax under the Non-Home Rule Municipal Service Occupation Tax Act (65 ILCS 5/8-1-1.4) at the rate of 1/2 of 1% for expenditure on public infrastructure?
NO	

indicating the way you desire to vote.

INSTRUCTIONS TO VOTERS: Mark a cross (X) in the square opposite the word

(FACE OF BALLOT)
OFFICIAL BALLOT

SECTION 7: That the ballot to be used at the Election shall be in substantially the following form with such alterations, changes, deletions, and insertions as required by Article 24A of the Code if an Electronic Voting System is used at the Election:

/s/ Robert T. Saar
Executive Director
Board of Election Commissioners of
DuPage County, Illinois

Dated at _____, _____ day of _____, 2005.

The polls will be open at 6:00 a.m. and will continue to be open until 7:00 p.m. on that day.

SECTION 8: That the Election shall be conducted by the election judges appointed by

the Election Commissioners to act in the voting precincts at which said proposition will be

submitted to the voters of the Village.

SECTION 9: That the Clerk of this Village shall, not less sixty-one (61) days before the

regularly scheduled general primary election to be held on March 21, 2006, certify to the

Election Commissioners, the proposition as hereinabove set forth to be submitted to the voters of

this Village at said Election. Such certification shall include the form of the public question to

be placed on the ballot, the date on which the public question was initiated by the adoption of

this Ordinance, and a certified copy of this Ordinance, and shall be substantially in the form of

EXHIBIT A attached hereto and hereby made a part of this Ordinance.

SECTION 10: That said Election shall be held and conducted and the returns thereof

duly canvassed, all in the manner and the time provided by law.

SECTION 11: That all orders, resolutions and ordinances, and parts thereof, in conflict

herewith be and the same are hereby repealed, and that this Ordinance be in full force and effect

immediately upon its passage and approval as provided by law.

Passed on first reading this _____ day of _____, 2005.

First reading waived by action of the Board of Trustees this _____ day of _____

_____, 2005.

Passed on second reading this _____ day of _____, 2005, pursuant to a

roll call vote as follows:

AYES:

NAYS:

ABSENT:

Brigitte O'Brien
Village Clerk

ATTEST:

William J. Mueller
Village President

APPROVED by me this _____ day of _____, 2005.

I do further certify that said Ordinance includes the form of a public question to be placed on the ballot for the regularly scheduled general primary election to be held on March 21, 2006, and that said public question was initiated by the President and Board of Trustees of the said

which Ordinance was duly adopted by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, at a meeting held on the _____ day of _____, 2005, at which meeting a quorum of said President and Board of Trustees was present, and which Ordinance requires the submission to the voters of said Village of the public question set forth therein.

AN ORDINANCE OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS, SUBMITTING A PROPOSITION TO IMPOSE A NON-HOME RULE MUNICIPAL RETAILERS' OCCUPATION TAX AND A NON-HOME RULE MUNICIPAL SERVICE OCCUPATION TAX TO THE VOTERS OF SUCH VILLAGE AT THE GENERAL PRIMARY ELECTION SCHEDULED FOR MARCH 21, 2006
ORDINANCE NO. _____

entitled: _____
I do further certify that attached hereto is a true and correct copy of an Ordinance Village.

I, the undersigned, the duly qualified and acting Village Clerk of the Village of Lombard, DuPage County, Illinois, pursuant to the provisions of 65 ILCS 5/8-11-1.1 through 5/8-11-1.4 and the applicable provisions of the Illinois Election Code, do hereby certify the following information in connection with the public question to impose a non-home rule municipal retailers' occupation tax and a non-home rule municipal service occupation tax within the

**CLERK'S CERTIFICATE
TO ELECTION AUTHORITY**

TO: Robert T. Saar
Executive Director
DuPage County Board of Election Commissioners
421 North County Farm Road
P.O. Box 1087
Wheaton, IL 60187

STATE OF ILLINOIS)
COUNTY OF DU PAGE)
SS)
)

Village of Lombard, DuPage County, Illinois, by the adoption of said Ordinance on _____, 2005.
IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2005.

Brigitte O'Brien
Village Clerk
Village of Lombard

I do further certify that said Ordinance includes the form of a public question to be placed on the ballot for the regularly scheduled general primary election to be held on March 21, 2006, and that said public question was initiated by the President and Board of Trustees of the said

forth therein.
which Ordinance requires the submission to the voters of said Village of the public question set forth therein.
2005, at which meeting a quorum of said President and Board of Trustees was present, and
Lombard, DuPage County, Illinois, at a meeting held on the _____ day of _____,
which Ordinance was duly adopted by the President and Board of Trustees of the Village of

AN ORDINANCE OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS,
SUBMITTING A PROPOSITION TO IMPOSE A
NON-HOME RULE MUNICIPAL RETAILERS' OCCUPATION TAX AND A
NON-HOME RULE MUNICIPAL SERVICE OCCUPATION TAX
TO THE VOTERS OF SUCH VILLAGE AT THE
GENERAL PRIMARY ELECTION SCHEDULED FOR MARCH 21, 2006

ORDINANCE NO. _____

entitled:

I do further certify that attached hereto is a true and correct copy of an Ordinance
Village.

retailers' occupation tax and a non-home rule municipal service occupation tax within the
information in connection with the public question to impose a non-home rule municipal
and the applicable provisions of the Illinois Election Code, do hereby certify the following
DuPage County, Illinois, pursuant to the provisions of 65 ILCS 5/8-11-1.1 through 5/8-11-1.4
I, the undersigned, the duly qualified and acting Village Clerk of the Village of Lombard,

**CLERK'S CERTIFICATE
TO ELECTION AUTHORITY**

Executive Director
DuPage County Board of Election Commissioners
421 North County Farm Road
P.O. Box 1087
Wheaton, IL 60187

TO: Robert T. Saar

STATE OF ILLINOIS
)
(SS
)
COUNTY OF DU PAGE
)

Village of Lombard, DuPage County, Illinois, by the adoption of said Ordinance on _____, 2005.
IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2005.

Brigitte O'Brien
Village Clerk
Village of Lombard



To: Honorable President and Board of Trustees

From: William T. Lichter, Village Manager *WTL*

Date: November 23, 2005

Subject: Report on Options for Non-Home Rule Sales Tax Increase

At the meeting of November 17, 2005, the Board of Trustees approved on first reading an ordinance seeking referendum approval of a non-home rule sales tax increase of up to one percent (1.0%). Attached is an amended ordinance prepared by the Village Attorney based on the Village Board's direction. In his memorandum, Mr. Bayer indicates that Public Act 94-0679 does not take effect until January 1, 2006. He therefore recommends that the ordinance requesting referendum approval of the sales tax increase of up to one percent (1.0%) not be acted upon until the meeting of January 5, 2006.

In approving the ordinance on first reading, the Village Board requested that staff prepare a report on options for decreasing or eliminating other local taxes or fees should the voters approve the sales tax increase. This report addresses that request and is being provided prior to the January 5th meeting so that there will be sufficient time to address any further questions raised by the Village Board.

As indicated in staff's report of September 6, 2005 regarding the Village's financial condition, about 84% of Lombard's operating budget goes toward funding public safety services provided by the Police, Fire, and Public Works Departments. Over the past four years, the Village has made substantial cuts and approved certain tax increases in order to maintain those and other essential services. Included among those cuts and tax increases were a \$20.9 million reduction in capital project expenditures programmed for the next ten years, the freezing of 15 position vacancies, a reduction from 10 to 9 hours per day in operation of the Fire Department's 3rd paramedic ambulance, a 107% decline in expenditures for emergency preparedness, and the addition of a 1% Places of Eating Tax and a 5% Amusement Tax.

Due to the property tax cap, the Village is also projecting that within six years an estimated \$2.8 million in required expenditures that must be paid for health insurance, social security, and pensions that are currently supported from property tax revenue will need to be paid for from funds that are currently being used to support on-going Village services.

The current overall sales tax rate for Lombard is 6.75 percent (6.75%). The Village's

share of that rate is presently one percent (1.0%) and is projected to generate \$10,410,300 in the current fiscal year. Should the referendum be approved, the Village Board would have the authority to raise the Village's share of the sales tax by an additional one percent (1.0%) in one-quarter percent (0.25%) increments. The additional one percent (1.0%) sales tax would not apply to prescription drugs, medical supplies, groceries, and large titled items such as motor vehicles, trucks, RV's and boats.

State law requires that the additional sales tax approved by referendum be utilized for public infrastructure improvements and/or property tax relief. It is recommended that, if approved, the non-home rule sales tax be used for infrastructure improvements. By using the sales tax for that purpose, the Village would be in a position to apply utility revenue currently used for capital improvements to meet its day-to-day operating needs, enabling Lombard to maintain public services and capital improvement programming at their current level.

In preparing this report, staff has reviewed the multi-year impact of raising the sales tax by one-half percent (0.5%), three-quarter percent (0.75%), and one percent (1.0%). It is assumed that the sales tax increase would become effective on January 1, 2007 with receipts beginning in April 2007, although it is possible that the tax could go into effect as early as October 1, 2006 if an ordinance approving the increase is received by the Illinois Department of Revenue by April 1, 2006.

What follows is a brief review of each alternative.

One-Half Percent (0.5%) Sales Tax Increase

Attachment A reflects Village Board approval of a one-half percent (0.5%) non-home rule sales tax increase. The attachment (1) assumes the same inflationary increases for most expenditures as were used in previous financial forecasts, (2) includes filling all vacancies for currently authorized positions in FY 2006-2007, (3) provides for the continuing allocation of \$860,000 in Motor Fuel Tax monies for operating purposes, and (4) accounts for the use of general revenue in lieu of property tax as needed due to the tax cap.

The one-half percent (0.5%) sales tax increase would generate an estimated average of \$3,465,356 annually over the next 5 years, and would allow the Village to maintain its current level of services and ten year program of capital improvements. As such, it is the minimum increase that the Village Board should consider if referendum authorization to increase the sales tax is given by the voters. Without at least the one-half percent (0.5%)

increase, a cumulative deficit of \$18,463,547 is projected over the next five years. Since the Village would obviously not allow that deficit to accrue, annual and increasingly significant expenditure cuts resulting in service and/or capital expenditure reductions would be necessary.

A one-half percent (0.5%) sales tax increase would not generate sufficient revenue to provide for the reduction to or elimination of other revenue sources.

Three-Quarter Percent (0.75%) Sales Tax Increase

Attachment B reflects Village Board approval of a three-quarter percent (0.75%) non-home rule sales tax increase. A three-quarter percent (0.75%) sales tax increase would generate an estimated average of \$5,198,046 annually over the next five years. Attachment B indicates non-home rule sales tax receipts by fiscal year and assumes that non-home rule sales tax monies in the amount shown would be used for capital improvements while an equal amount in utility tax revenue would be allocated to the General Fund for operating purposes.

At the Village Board's direction, staff has reviewed certain taxes and fees that could be reduced should a decision be made to impose the non-home rule sales tax at the three-quarter percent (0.75%) level. Those options are as follows:

* Eliminate all vehicle stickers in Fiscal Year 2007. This would result in a revenue reduction in the General Fund of approximately \$595,000 annually. Elimination of vehicle stickers is reflected in Attachment B.

* Reduce, in part, annual water and sewer rate increases needed for capital improvements. Based on the projections reflected in Attachment B, up to the following amounts could be allocated for water and sewer capital improvements rather than general operating purposes after taking into account funds needed to maintain current service levels and an approximate 25% General Fund balance: \$750,000 in FY 2008, \$1,000,000 in FY 2009, \$1,200,000 in FY 2010, and \$500,000 in FY 2011.

One Percent (1.0%) Sales Tax Increase

Attachment C reflects Village Board approval of a one percent (1.0%) non-home rule sales tax increase. A one percent (1.0%) sales tax increase would generate an estimated average of \$6,930,726 annually over the next five years. Attachment C indicates non-home rule sales tax receipts by fiscal year. Attachment C also assumes that non-home

rule sales tax monies in the amount shown would be used for capital improvements and that an equal amount in utility tax revenue would be allocated to the General Fund for operating purposes.

Utility tax is the only revenue source currently used for capital improvements that could be used for funding operations as an offset to the allocation of non-home rule sales tax for infrastructure purposes. Since a one percent (1.0%) non-home rule sales tax would exceed the utility tax in each year between FY 2008 and FY 2011, the difference could be allocated to the Water & Sewer Capital Reserve Fund in at least the following amounts in the years indicated and in even greater amounts in the years thereafter: \$1,814,170 in FY 2008, \$1,927,760 in FY 2009, \$2,045,950 in FY 2010, and \$2,168,890 in FY 2011. The allocation of those funds would allow the Village to reduce the existing capital portion of the water and sewer rate in the years ahead.

Staff will be prepared to address questions at the December 1st meeting.

ATTACHMENT C

1.00% Sales Tax Option
 Vehicle Stickers Eliminated 5/1/07
 Excess Non-Home Rule Sales Tax Allocated to Water/Sewer Fund 6/1/07

FUND 1010
 FUND BALANCE PROJECTIONS
 GENERAL FUND
 FIVE YEAR FINANCIAL FORECAST

FYE 2006	FYE 2007	FYE 2008	FYE 2009	FYE 2010	FYE 2011
General Only	General Only	General Only	General Only	General Only	General Only

BEGINNING FUND BALANCE 5,352,884 5,166,884 5,115,899 7,807,597 9,854,955 11,441,513

EXPENDITURES	PERSONAL SERVICES	COMMODITIES	CONTRACT SERVICES	OTHER EXPENSES	CAPITAL OUTLAY	OTHER FINANCING USES	TOTAL
17,996,920	830,590	855,510	3,205,030	2,200	0	4,015,050	26,049,710
19,483,555	881,160	855,510	3,308,450	2,200	0	4,720,160	28,266,455
20,517,682	881,160	907,600	3,415,310	2,200	0	5,631,070	31,596,052
21,639,872	934,820	934,820	3,525,800	2,200	0	6,169,760	33,492,582
22,860,002	962,850	962,850	3,640,000	2,200	0	6,228,510	35,022,782

REVENUES	TAXES & PERMITS	LICENSES & PERMITS	INTERGOVERNMENTAL REVENUES	CHARGES FOR SERVICES	FINES & FORFEITURES	MISCELLANEOUS REVENUES	OTHER FINANCING SOURCES	TOTAL
19,221,580	1,691,240	72,940	1,691,240	2,551,680	583,960	1,209,670	1,111,060	25,863,710
19,760,720	1,129,150	76,240	4,961,600	601,460	575,240	1,112,490	1,112,490	28,215,470
20,076,710	1,163,040	79,700	8,880,220	619,490	613,320	1,113,970	1,113,970	32,544,970
20,713,110	83,340	83,340	9,102,430	638,050	794,580	1,115,490	1,115,490	33,643,410
21,701,090	1,233,880	87,160	9,333,770	657,180	950,570	1,117,060	1,117,060	35,079,140
22,222,620	1,270,890	91,170	9,580,450	676,880	1,091,500	1,117,060	1,117,060	36,050,570

PROJECTED SURPLUS/(DEFICIT)	-186,000	-50,985	2,691,698	2,047,358	1,586,558	1,027,788
ENDING FUND BALANCE	5,166,884	5,115,899	7,807,597	9,854,955	11,441,513	12,469,301

FUND BALANCE AS A PERCENTAGE OF TOTAL EXPENDITURES (EXCLUDING INTERFUND TRANSFERS) 23.45% 21.73% 31.60% 37.95% 41.88% 43.30%

Non-Home Rule Sales Tax	FYE 2007	FYE 2008	FYE 2009	FYE 2010	FYE 2011	TOTAL	5 Year Avg.
\$2,310,000	\$7,731,000	\$7,962,930	\$8,201,820	\$8,447,880	\$34,653,630	\$6,930,726	

Allocation of Non-Home Rule Sales Tax to W/S Fund

1,814,170 1,927,760 2,045,950 2,168,890

As you know, pursuant to Public Act 94-0679, the amount of the tax that can be imposed was increased from 1/2 of 1% to 1%. While the legislation became a Public Act on November 8, 2005, its effective date, pursuant to the General Assembly's website, is not until January 1, 2006 (see copy of Public Act 94-0679 attached, *specifically* page 6). As such, if the Village Board desires to seek approval for up to a 1% tax, the Ordinance authorizing the referendum should not

before January 19, 2006. Attached to it, must be filed with the DuPage County Board of Election Commissioners on or Certificate to the Election Authority, with a certified copy of the fully executed Ordinance Also enclosed please find a Clerk's Certificate to the Election Authority. The Clerk's

FOR MARCH 21, 2006
 AN ORDINANCE OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS, SUBMITTING A PROPOSITION TO IMPOSE A NON-HOME RULE MUNICIPAL RETAILERS' OCCUPATION TAX AND A NON-HOME RULE MUNICIPAL SERVICE OCCUPATION TAX TO THE VOTERS OF SUCH VILLAGE AT THE GENERAL PRIMARY ELECTION SCHEDULED

Pursuant to the direction of the President and Board of Trustees at the November 17, 2005 meeting, enclosed please find the following revised Ordinance for adoption by the President and Board of Trustees at the January 5, 2005 Village Board meeting:

TO: William T. Lichter, Village Manager
FROM: Tom Bayer, Village Attorney
DATE: November 21, 2005
RE: Referendum Requesting Authority to Impose a Non-Home Rule Retailers' Occupation Tax and a Non-Home Rule Service Occupation Tax

VIA FACSIMILE (630) 620-8222 AND HAND DELIVERY

M E M O R A N D U M

WRITER'S DIRECT DIAL WRITER'S E-MAIL

JOSHUA S. ABERN
 RINDA Y. ALLISON
 TERENCE M. BARNICLE
 JAMES P. BARTLEY
 THOMAS P. BAYER
 GERARD E. DAMPSEY
 MICHAEL J. DUGGAN
 JAMES V. FERLO
 E. KENNETH FRIKER
 BRIAN M. FUNK
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 KATHLEEN T. HENN
 EVERETTE M. HILL, JR.
 MICHAEL T. JURUSIK
 JACOB H. KARACA
 PATRICK A. LUCANSKY

20 NORTH WACKER DRIVE
 SUITE 1660
 CHICAGO, ILLINOIS 60606-2903
 TELERPHONE (312) 984-6400
 FACSIMILE (312) 984-6444
 FACSIMILE (312) 606-7077
 ORLAND PARK OFFICE
 15010 S. RAVINIA AVE., SUITE 17
 ORLAND PARK, IL 60462-3162
 TELEPHONE (708) 349-3888
 FACSIMILE (708) 349-1506

LANCE C. MALINA
 MICHAEL A. MARRS
 THOMAS M. MELODY
 JANT N. PETSCH
 DONALD E. RENNERT, III
 SCOTT F. UHLER
 GEORGE A. WAGNER
 ALLEN WALT
 DENNIS G. WALSH
 JAMES G. WARCO
 BRUCE A. ZOLNA
 OF COUNSEL
 JAMES A. RHODES
 RICHARD T. WIMMER

KLEIN, THORPE AND JENKINS, LTD.

LAW OFFICES

be adopted until on or after January 1, 2006, so as to make sure it is adopted at a point in time when the State statutes allow for up to a 1% tax.

In regard to the imposition of the tax, assuming referendum approval, as 65 ILCS 5/8-11-1.1, 5/8-11-1.3 and 5/8-11-1.4 all allow for the tax to be imposed in 1/4% increments, it would appear that if a tax of "not to exceed 1%" was approved, said tax could be imposed in phases, so long as each phase provided for a tax in a 1/4% increment (1/4%, 1/2% or 3/4%), with the total tax being imposed at any given time not exceeding 1%.

Finally, in regard to the Ordinance(s) imposing the tax, assuming referendum approval, both 65 ILCS 5/8-11-1.3 and 5/8-11-1.4 provide as follows relative to the effective dates of the tax:

- A. If the Ordinance is adopted and a certified copy thereof is filed with the Illinois Department of Revenue on or before the first day of April, the tax will begin as of the first day of July.
- B. If the Ordinance is adopted and a certified copy thereof is filed with the Illinois Department of Revenue on or before the first day of October, the tax will begin as of the first day of January.

If there are any questions, please feel free to call.

TPB/cag

Enclosures

cc:

Brigitte O'Brien, Village Clerk
Leonard Flood, Finance Director

Timothy Sexton, Assistant Finance Director

ORDINANCE NO. _____

**AN ORDINANCE OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS,
SUBMITTING A PROPOSITION TO IMPOSE A
NON-HOME RULE MUNICIPAL RETAILERS' OCCUPATION TAX AND A
NON-HOME RULE MUNICIPAL SERVICE OCCUPATION TAX
TO THE VOTERS OF SUCH VILLAGE AT THE
GENERAL PRIMARY ELECTION SCHEDULED FOR MARCH 21, 2006**

WHEREAS, the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, are subject to the requirement of prior referendum approval, authorized to impose a non-home rule municipal retailers' occupation tax and a non-home rule municipal service occupation tax, each at a rate not to exceed one percent (1%), all pursuant to 65 ILCS 5/8-11-1.1 through 5/8-11-1.4, as amended by Public Act 94-0679, for public infrastructure; and WHEREAS, the President and Board of Trustees have determined that it is in the best interests of the Village to seek referendum approval for the aforementioned taxes;

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, as follows:

SECTION 1: That the following proposition shall be submitted to the voters of this Village at the general primary election to be held on Tuesday, the 21st day of March, 2006 (the "Election"):

"Shall the Village of Lombard impose a tax under the Non-Home Rule Municipal Retailers' Occupation Tax Act (65 ILCS 5/8-11-1.3) at a rate of not to exceed 1% for expenditure on public infrastructure and impose a tax under the Non-Home Rule Municipal Service Occupation Tax Act (65 ILCS 5/8-11-1.4) at a rate of not to exceed 1% for expenditure on public infrastructure?"

SECTION 2: That the Election shall be held in the voting precincts and at the polling places established for the Village by the Board of Election Commissioners of DuPage County, Illinois (the "Election Commissioners").

NOTICE IS HEREBY GIVEN that at the general primary election held on Tuesday, March 21, 2005, the following question will be submitted to the voters of the Village of Lombard, DuPage County, Illinois:

“Shall the Village of Lombard impose a tax under the Non-Home Rule Municipal Retailers’ Occupation Tax Act (65 ILCS 5/8-11-1.3) at a rate of not to exceed 1% for expenditure on public infrastructure and impose a tax under the Non-Home Rule Municipal Service Occupation Tax Act (65 ILCS 5/8-11-1.4) at a rate of not to exceed 1% for expenditure on public infrastructure?”

VILLAGE OF LOMBARD

NOTICE OF ELECTION

SECTION 6: That said Notice shall include the following:

12-5 of the Code.

local community newspaper having general circulation in the Village as required by §§ 12-4 and

SECTION 5: That it is hereby found and determined that the *Lombard Spectator* is a

Election, as required by § 24A-18 of the Code.

supplied to the judges of said Election for posting in the polling places on the date of the

ballot label to be used at the Election shall be made available for public distribution and shall be

(“Electronic Voting System”) is used at the Election, a true and legible copy of the specimen

SECTION 4: That where an electronic, mechanical, or electric voting system

in accordance with Article 12 of the Code.

the date of said Election, but not more than thirty (30) days prior to the date of said Election, all

DuPage County, the date of such publication of such notice to be at least ten (10) days prior to

having general circulation in the Village of Lombard, and also once in a newspaper published in

in the Village of Lombard, and if none, then published once in a local, community newspaper,

Election Commissioners by publishing notice thereof once in one or more newspapers published

Code of the State of Illinois, 10 ILCS 5/1 *et seq.* (the “Code”) by the Executive Director of the

SECTION 3: That notice of said Election shall be given in accordance with The Election

The polls will be open at 6:00 a.m. and will continue to be open until 7:00 p.m. on that day.

Dated at _____, _____ day of _____, 2005.

/s/ Robert T. Saar
 Executive Director
 Board of Election Commissioners of
 DuPage County, Illinois

SECTION 7: That the ballot to be used at the Election shall be in substantially the

following form with such alterations, changes, deletions, and insertions as required by Article

24A of the Code if an Electronic Voting System is used at the Election:

**(FACE OF BALLOT)
 OFFICIAL BALLOT**

INSTRUCTIONS TO VOTERS: Mark a cross (X) in the square opposite the word

indicating the way you desire to vote.

	YES	Shall the Village of Lombard impose a tax under the Non-Home Rule Municipal Retailers' Occupation Tax Act (65 ILCS 5/8-1-1.3) at a rate of not to exceed 1% for expenditure on public infrastructure and impose a tax under the Non-Home Rule Municipal Service Occupation Tax Act (65 ILCS 5/8-1-1.4) at a rate of not to exceed 1% for expenditure on public infrastructure?
	NO	

**(BACK OF BALLOT)
 OFFICIAL BALLOT**

**General Primary Election – Tuesday, March 21, 2006
 VILLAGE OF LOMBARD
 DU PAGE COUNTY, ILLINOIS**

**Ballot for voting on proposition
 to impose a non-home rule municipal
 retailers' occupation tax and
 non-home rule municipal service occupation tax**

/s/ Robert T. Saar

Executive Director

Board of Election Commissioners of DuPage County

SECTION 8: That the Election shall be conducted by the election judges appointed by

the Election Commissioners to act in the voting precincts at which said proposition will be submitted to the voters of the Village.

SECTION 9: That the Clerk of this Village shall, not less sixty-one (61) days before the

regularly scheduled general primary election to be held on March 21, 2006, certify to the Election Commissioners, the proposition as hereinabove set forth to be submitted to the voters of this Village at said Election. Such certification shall include the form of the public question to be placed on the ballot, the date on which the public question was initiated by the adoption of this Ordinance, and a certified copy of this Ordinance, and shall be substantially in the form of **EXHIBIT A** attached hereto and hereby made a part of this Ordinance.

SECTION 10: That said Election shall be held and conducted and the returns thereof

duly canvassed, all in the manner and the time provided by law.

SECTION 11: That all orders, resolutions and ordinances, and parts thereof, in conflict

herewith be and the same are hereby repealed, and that this Ordinance be in full force and effect immediately upon its passage and approval as provided by law.

Passed on first reading this 17th day of November, 2005.

First reading waived by action of the Board of Trustees this _____ day of

_____, 2006.

Passed on second reading this 5th day of January, 2006, pursuant to a roll call vote as

follows:

AYES:

NAYS:

ABSENT:

Brigitte O'Brien
Village Clerk

ATTEST:

William J. Mueller
Village President

APPROVED by me this _____ day of _____, 2006.

I do further certify that said Ordinance includes the form of a public question to be placed on the ballot for the regularly scheduled general primary election to be held on March 21, 2006, and that said public question was initiated by the President and Board of Trustees of the said Village.

which Ordinance was duly adopted by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, at a meeting held on the 5th day of January, 2006, at which meeting a quorum of said President and Board of Trustees was present, and which Ordinance requires the submission to the voters of said Village of the public question set forth therein.

AN ORDINANCE OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS, SUBMITTING A PROPOSITION TO IMPOSE A NON-HOME RULE MUNICIPAL RETAILERS' OCCUPATION TAX AND A NON-HOME RULE MUNICIPAL SERVICE OCCUPATION TAX TO THE VOTERS OF SUCH VILLAGE AT THE GENERAL PRIMARY ELECTION SCHEDULED FOR MARCH 21, 2006

ORDINANCE NO. _____

entitled:

I do further certify that attached hereto is a true and correct copy of an Ordinance Village.

I, the undersigned, the duly qualified and acting Village Clerk of the Village of Lombard, DuPage County, Illinois, pursuant to the provisions of 65 ILCS 5/8-11-1.1 through 5/8-11-1.4 and the applicable provisions of the Illinois Election Code, do hereby certify the following information in connection with the public question to impose a non-home rule municipal retailers' occupation tax and a non-home rule municipal service occupation tax within the

**CLERK'S CERTIFICATE
TO ELECTION AUTHORITY**

TO: Robert T. Saar
Executive Director
DuPage County Board of Election Commissioners
421 North County Farm Road
P.O. Box 1087
Wheaton, IL 60187

STATE OF ILLINOIS)
COUNTY OF DU PAGE)
) SS)
)

EXHIBIT A

Brigitte O'Brien
Village Clerk
Village of Lombard

_____, 2006.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of

2006.

Village of Lombard, DuPage County, Illinois, by the adoption of said Ordinance on January 5,

which Ordinance was duly adopted by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, at a meeting held on the 5th day of January, 2006, at which meeting a quorum of said President and Board of Trustees was present, and which Ordinance requires the submission to the voters of said Village of the public question set forth therein. I do further certify that said Ordinance includes the form of a public question to be placed on the ballot for the regularly scheduled general primary election to be held on March 21, 2006, and that said public question was initiated by the President and Board of Trustees of the said

AN ORDINANCE OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS, SUBMITTING A PROPOSITION TO IMPOSE A NON-HOME RULE MUNICIPAL RETAILERS' OCCUPATION TAX AND A NON-HOME RULE MUNICIPAL SERVICE OCCUPATION TAX TO THE VOTERS OF SUCH VILLAGE AT THE GENERAL PRIMARY ELECTION SCHEDULED FOR MARCH 21, 2006

ORDINANCE NO. _____

entitled:

I do further certify that attached hereto is a true and correct copy of an Ordinance Village.

I, the undersigned, the duly qualified and acting Village Clerk of the Village of Lombard, DuPage County, Illinois, pursuant to the provisions of 65 ILCS 5/8-11-1.1 through 5/8-11-1.4 and the applicable provisions of the Illinois Election Code, do hereby certify the following information in connection with the public question to impose a non-home rule municipal retailers' occupation tax and a non-home rule municipal service occupation tax within the

**CLERK'S CERTIFICATE
TO ELECTION AUTHORITY**

TO: Robert T. Saar
Executive Director
DuPage County Board of Election Commissioners
421 North County Farm Road
P.O. Box 1087
Wheaton, IL 60187

STATE OF ILLINOIS)
COUNTY OF DU PAGE)
SS)
)

Village of Lombard, DuPage County, Illinois, by the adoption of said Ordinance on _____, 2006.
IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2006.

Brigitte O'Brien
Village Clerk
Village of Lombard

Public Act 094-0679

SB0272 Enrolled

LRB094 05888 BDD 35942 b

AN ACT concerning local government.

Be it enacted by the People of the State of Illinois,
represented in the General Assembly:

Section 5. The Illinois Municipal Code is amended by
changing Sections 8-11-1.1, 8-11-1.3, 8-11-1.4, and 8-11-1.5
as follows:

(65 ILCS 5/8-11-1.1) (from Ch. 24, par. 8-11-1.1)
Sec. 8-11-1.1. Non-home rule municipalities; imposition of
taxes.

(a) The corporate authorities of a non-home rule
municipality may, upon approval of the electors of the
municipality pursuant to subsection (b) of this Section, impose
by ordinance or resolution the tax authorized in Sections
8-11-1.3, 8-11-1.4 and 8-11-1.5 of this Act.

(b) The corporate authorities of the municipality may by
ordinance or resolution call for the submission to the electors
of the municipality the question of whether the municipality
shall impose such tax. Such question shall be certified by the
municipal clerk to the election authority in accordance with
Section 28-5 of the Election Code and shall be in a form in
accordance with Section 16-7 of the Election Code.

If a majority of the electors in the municipality voting
upon the question vote in the affirmative, such tax shall be
imposed.

An ordinance or resolution imposing the tax of not more
than ~~1/2 of 1%~~ hereunder or discontinuing the same shall be
adopted and a certified copy thereof, together with a
certification that the ordinance or resolution received

approval in the case of the imposition of such tax,
filed with the Department of Revenue, on or before the first
day of June, whereupon the Department shall proceed to
administer and enforce the additional tax or to discontinue the
tax, as the case may be, as of the first day of September next
following such adoption and filing. Beginning January 1, 1992,
an ordinance or resolution imposing or discontinuing the tax
hereunder shall be adopted and a certified copy thereof filed
with the Department on or before the first day of July,

whereupon the Department shall proceed to administer and
enforce this Section as of the first day of October next
following such adoption and filing. Beginning January 1, 1993,
an ordinance or resolution imposing or discontinuing the tax
hereunder shall be adopted and a certified copy thereof filed

with the Department on or before the first day of October,
whereupon the Department shall proceed to administer and
enforce this Section as of the first day of January next
following such adoption and filing. Beginning October 1, 2002,
an ordinance or resolution imposing or discontinuing the tax
under this Section or effecting a change in the rate of tax

must either (1) be adopted and a certified copy of the ordinance or resolution filed with the Department on or before the first day of April, whereupon the Department shall proceed to administer and enforce this Section as of the first day of July next following the adoption and filing; or (11) be adopted and a certified copy of the ordinance or resolution filed with the Department on or before the first day of October, whereupon the Department shall proceed to administer and enforce this Section as of the first day of January next following the adoption and filing. A non-home rule municipality may file a certified copy of an ordinance or resolution, with a certification that the ordinance or resolution received referendum approval in the case of the imposition of the tax, with the Department of Revenue, as required under this Section, only after October 2, 2000.

The tax authorized by this Section may not be more than ~~1/2~~ ^{1/4} % and may be imposed only in 1/4% increments. (Source: P.A. 91-51, eff. 6-30-99; 91-649, eff. 1-1-00; 92-739, eff. 1-1-03.)

(65 ILCS 5/8-11-1.3) (from ch. 24, par. 8-11-1.3)
 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'

Occupation Tax Act. The corporate authorities of a non-home rule municipality may impose a tax upon all persons engaged in the business of selling tangible personal property, other than on an item of tangible personal property which is titled and registered by an agency of this State's government, at retail in the municipality for expenditure on public infrastructure or for property tax relief or both as defined in Section 8-11-1.2 if approved by referendum as provided in Section 8-11-1.1, or the gross receipts from such sales made in the course of such business. The tax imposed may not be more than ~~1/2~~ ^{1/4} % and may be imposed only in 1/4% increments. The tax may not be imposed on the sale of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics. The tax imposed by a municipality pursuant to this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The certificate of registration which is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit such retailer to engage in a business which is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda, arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers, and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of terms, and employ the same modes of procedure, as are prescribed in

Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1g, 1h, 1i, 1j, 2 through 2-65 (in respect to all provisions therein other than the state rate of tax), 2c, 3 (except as to the disposition of taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act as fully as if those provisions were set forth herein.

No municipality may impose a tax under this Section unless the municipality also imposes a tax at the same rate under Section 8-11-1.4 of this Code.

Persons subject to any tax imposed pursuant to the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with state tax which sellers are required to collect under the Use Tax Act, pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the state comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in such notification from the Department. Such refund shall be paid by the state Treasurer out of the non-home rule municipal retailers' occupation tax fund.

The Department shall forthwith pay over to the state Treasurer, ex officio, as trustee, all taxes and penalties collected hereunder. On or before the 25th day of each calendar month, the Department shall prepare and certify to the comptroller the disbursement of stated sums of money to named municipalities, the municipalities to be those from which retailers have paid taxes or penalties hereunder to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda) collected hereunder during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts which were erroneously paid to a different taxing body, and not including an amount of refunds made during the second preceding calendar month by the Department on behalf of such municipality, and not including any amount which the Department determines is necessary to offset any amounts which were payable to a different taxing body but were erroneously paid to the municipality. Within 10 days after receipt, by the comptroller, of the disbursement certification to the comptroller by the Department, the comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in such certification.

For the purpose of determining the local governmental unit whose tax is applicable, a retail sale, by a producer of coal or other mineral mined in Illinois, is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or other mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the Federal Constitution as a sale in interstate or foreign commerce.

Nothing in this Section shall be construed to authorize a municipality to impose a tax upon the privilege of engaging in any business which under the constitution of the United States may not be made the subject of taxation by this state. When certifying the amount of a monthly disbursement to a municipality under this Section, the Department shall increase or decrease such amount by an amount necessary to offset any misallocation of previous disbursements. The offset amount shall be the amount erroneously disbursed within the previous 6 months from the time a misallocation is discovered. The Department of Revenue shall implement this amendatory Act of the 91st General Assembly so as to collect the tax on and after January 1, 2002.

As used in this Section, "municipal" and "municipality" means a city, village or incorporated town, including an incorporated town which has superseded a civil township. This Section shall be known and may be cited as the "Non-Home Rule Municipal Retailers' Occupation Tax Act". (Source: P.A. 91-51, eff. 6-30-99; 91-649, eff. 1-1-00; 92-739, eff. 1-1-03.)

(65 ILCS 5/8-11-1.4) (from ch. 24, par. 8-11-1.4)

Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation Tax Act. The corporate authorities of a non-home rule municipality may impose a tax upon all persons engaged, in such municipality, in the business of making sales of service for expenditure on public infrastructure or for property tax relief or both as defined in Section 8-11-1.2 if approved by referendum as provided in Section 8-11-1.1, of the selling price of all tangible personal property transferred by such servicemen either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. The tax imposed may not be more than ~~1/2~~ of 1% and may be imposed only in 1/4% increments. The tax may not be consumed the sale of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics. The tax imposed by a municipality pursuant to this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The certificate of registration which is issued by the Department to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit such registrant to engage in a business which is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and

definitions of terms, and employ the same modes of procedure, as are prescribed in sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all provisions therein other than the state rate of tax), 4 (except that the reference to the state shall be to the taxing municipality), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that section 8 shall be the taxing municipality), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this municipal tax may not be taken against any state tax), 10, 11, 12 (except the reference therein to section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the state shall mean the taxing municipality), the first paragraph of section 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

No municipality may impose a tax under this section unless the municipality also imposes a tax at the same rate under section 8-11-1.3 of this code.

Persons subject to any tax imposed pursuant to the authority granted in this section may reimburse themselves for their serviceman's tax liability hereunder by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with state tax which servicemen are authorized to collect under the Service Use Tax Act, pursuant to such bracket schedules as the department may prescribe.

Whenever the department determines that a refund should be made under this section to a claimant instead of issuing credit memorandum, the department shall notify the state comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in such notification from the department. Such refund shall be paid by the state treasurer out of the municipal retailers' occupation tax fund.

The department shall forthwith pay over to the state treasurer, ex officio, as trustee, all taxes and penalties collected hereunder. On or before the 25th day of each calendar month, the department shall prepare and certify to the comptroller the disbursement of stated sums of money to named municipalities, the municipalities to be those from which suppliers and servicemen have paid taxes or penalties hereunder to the department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda) collected hereunder during the second preceding calendar month by the department, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the department on behalf of such municipality. Within 10 days after receipt, by the comptroller, of the disbursement certification to the municipalities and the general revenue fund, provided for in this section to be given to the comptroller by the department, the comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in such certification.

The department of revenue shall implement this amendatory act of the 91st general assembly so as to collect the tax on and after January 1, 2002.

Nothing in this section shall be construed to authorize a municipality to impose a tax upon the privilege of engaging in any business which under the constitution of the United States

11/8/2005	Public Act 094-0679
Date	Action

Floor Actions

* Effective Date: 1/1/2006 *

may not be made the subject of taxation by this State. As used in this section, "municipal" or "municipality" means or refers to a city, village or incorporated town, including an incorporated town which has superseded a civil township.

This Section shall be known and may be cited as the "Non-Home Rule Municipal Service Occupation Tax Act".

(Source: P.A. 91-51, eff. 6-30-99; 91-649, eff. 1-1-00; 92-739, eff. 1-1-03.)

(65 ILCS 5/8-11-1.5) (from Ch. 24, par. 8-11-1.5)

Sec. 8-11-1.5. Non-Home Rule Municipal Use Tax Act. The corporate authorities of a non-home rule municipality may impose a tax upon the privilege of using, in such municipality, any item of tangible personal property which is purchased at retail from a retailer, and which is titled or registered with an agency of this State's government, based on the selling price of such tangible personal property, as "selling price" is defined in the Use Tax Act, for expenditure on public infrastructure or for property tax relief or both as defined in Section 8-11-1.2, if approved by referendum as provided in Section 8-11-1.1. The tax imposed may not be more than ~~1/2 of~~ 1% and may be imposed only in 1/4% increments. Such tax shall be collected from persons whose Illinois address for title or registration purposes is given as being in such municipality. Such tax shall be collected by the municipality imposing such tax. A non-home rule municipality may not impose and collect the tax prior to January 1, 2002.

This Section shall be known and may be cited as the "Non-Home Rule Municipal Use Tax Act".

(Source: P.A. 91-649, eff. 1-1-00; 92-739, eff. 1-1-03.)



MEMO TO : The Honorable President and Board of Trustees

FROM : William T. Lichter
Village Manager

DATE : November 22, 2005

SUBJECT : Agenda Item(s) Previously Distributed

SEPARATE ACTION

050652 – Ordinance Submitting a Proposition to Impose a Non-Home Rule Municipal Retailer's Occupation Tax and a Non-Home Rule Municipal Service Occupation Tax to the Voters (Ordinance on Second Reading)

This information was previously distributed in your packet for the November 17th Village Board meeting. If you need an additional copy of the information, please contact Carol.

/cb

WRITER'S DIRECT DIAL

WRITER'S R-MAIL

RINDA Y. ALLISON
TERENCE M. BARNICLE
JAMES P. BARTLEY
THOMAS P. BAYER
GERARD E. DEMPSKY
MICHAEL J. DUGGAN
JAMES V. FERLO
E. KENNETH FRICKER
BRIAN M. FUNK
CYNTHIA S. GRANDFIELD
KATHLEEN T. HENN
EVERETTE M. HILL, JR.
MICHAEL J. JURSIK
JACOB H. KARACA
PATRICK A. LUCANSKY

LANCE C. MALINA
MICHAEL A. MARRS
THOMAS M. MELODY
JANET N. PETSCH
DONALD E. RENNERT, III
SCOTT F. UHLER
GEORGE A. WAGNER
ALLEN WALT
DENNIS G. WALSH
JAMES G. WARGO
BRUCE A. ZOLNA
OF COUNSEL
JAMES A. RHODES
RICHARD T. WIMMER

TO:

William T. Lichter, Village Manager

FROM:

Tom Bayer, Village Attorney

DATE:

November 9, 2005

RE:

Referendum Requesting Authority to Impose a Non-Home Rule Retailers' Occupation Tax and a Non-Home Rule Service Occupation Tax

Pursuant to the direction of the President and Board of Trustees at the November 3, 2005 meeting, enclosed please find the following Ordinance for adoption by the President and Board of Trustees at a future Village Board meeting (must be adopted no later than the January 5, 2006 Village Board meeting):

AN ORDINANCE OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS, SUBMITTING A PROPOSITION TO IMPOSE A NON-HOME RULE MUNICIPAL RETAILERS' OCCUPATION TAX AND A NON-HOME RULE MUNICIPAL SERVICE OCCUPATION TAX TO THE VOTERS OF SUCH VILLAGE AT THE GENERAL PRIMARY ELECTION SCHEDULED FOR MARCH 21, 2006

Also enclosed please find a Clerk's Certificate to the Election Authority. The Clerk's Certificate to the Election Authority, with a certified copy of the fully executed Ordinance attached to it, must be filed with the DuPage County Board of Election Commissioners on or before January 19, 2006.

If there are any questions, please feel free to call.

TPB/cag

Enclosures

Brigitte O'Brien, Village Clerk

Leonard Flood, Finance Director

Timothy Sexton, Assistant Finance Director

ORDINANCE NO. _____

AN ORDINANCE OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS, SUBMITTING A PROPOSITION TO IMPOSE A NON-HOME RULE MUNICIPAL RETAILERS' OCCUPATION TAX AND A NON-HOME RULE MUNICIPAL SERVICE OCCUPATION TAX TO THE VOTERS OF SUCH VILLAGE AT THE GENERAL PRIMARY ELECTION SCHEDULED FOR MARCH 21, 2006

WHEREAS, the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, are subject to the requirement of prior referendum approval, authorized to impose a non-home rule municipal retailers' occupation tax and a non-home rule municipal service occupation tax, each at a rate not to exceed one-half (1/2) of one percent (1%), until December 31, 2005, and at a rate of not to exceed one percent (1%) thereafter, all pursuant to 65 ILCS 5/8-11-1.1 through 5/8-11-1.4, as amended by Public Act 94-0679, for public infrastructure; and

WHEREAS, the President and Board of Trustees have determined that it is in the best interests of the Village to seek referendum approval for the aforementioned taxes;

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, as follows:

SECTION 1: That the following proposition shall be submitted to the voters of this Village at the general primary election to be held on Tuesday, the 21st day of March, 2006 (the "Election"):

"Shall the Village of Lombard impose a tax under the Non-Home Rule Municipal Retailers' Occupation Tax Act (65 ILCS 5/8-11-1.3) at the rate of 1/2 of 1% for expenditure on public infrastructure and impose a tax under the Non-Home Rule Municipal Service Occupation Tax Act (65 ILCS 5/8-11-1.4) at the rate of 1/2 of 1% for expenditure on public infrastructure?"

SECTION 2: That the Election shall be held in the voting precincts and at the polling places established for the Village by the Board of Election Commissioners of DuPage County, Illinois (the "Election Commissioners").

/s/ Robert T. Saar
Executive Director
Board of Election Commissioners of DuPage County

General Primary Election - Tuesday, March 21, 2006
VILLAGE OF LOMBARD
DU PAGE COUNTY, ILLINOIS
Ballot for voting on proposition
to impose a non-home rule municipal
retailers' occupation tax and
non-home rule municipal service occupation tax

(BACK OF BALLOT)
OFFICIAL BALLOT

	YES	Shall the Village of Lombard impose a tax under the Non-Home Rule Municipal Retailers' Occupation Tax Act (65 ILCS 5/8-11-1.3) at the rate of 1/2 of 1% for expenditure on public infrastructure and impose a tax under the Non-Home Rule Municipal Service Occupation Tax Act (65 ILCS 5/8-11-1.4) at the rate of 1/2 of 1% for expenditure on public infrastructure?
	NO	

indicating the way you desire to vote.

INSTRUCTIONS TO VOTERS: Mark a cross (X) in the square opposite the word

(FACE OF BALLOT)
OFFICIAL BALLOT

SECTION 7: That the ballot to be used at the Election shall be in substantially the following form with such alterations, changes, deletions, and insertions as required by Article 24A of the Code if an Electronic Voting System is used at the Election:

/s/ Robert T. Saar
Executive Director
Board of Election Commissioners of
DuPage County, Illinois

Dated at _____, day of _____, 2005.

The polls will be open at 6:00 a.m. and will continue to be open until 7:00 p.m. on that day.

Brigitte O'Brien
Village Clerk

ATTEST:

William J. Mueller
Village President

APPROVED by me this _____ day of _____, 2005.

Village of Lombard, DuPage County, Illinois, by the adoption of said Ordinance on _____, 2005.
IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2005.


Brigitte O'Brien
Village Clerk
Village of Lombard

Village of Lombard, DuPage County, Illinois, by the adoption of said Ordinance on _____, 2005.
IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2005.

Brigitte O'Brien
Village Clerk
Village of Lombard



To: Honorable President and Board of Trustees

From: William T. Lichter, Village Manager 

Date: December 28, 2005

Subject: Use of Funds from Non-Home Rule Sales Tax Referendum

At the December 1, 2005 Village Board Meeting, staff was directed to prepare a recommendation for Village Board consideration regarding the use of the proceeds from a 1% non-home rule sales tax for reducing water and sewer rates to our residents and businesses while maintaining current Village services. Staff has reviewed various ways to meet those objectives. The following report addresses our findings.

Revenue from a 1% non-home rule sales tax is projected to generate an average of approximately \$8.08 million annually over the next ten years with collections beginning in April 2007. Attachment A is a multiyear forecast for the General Fund assuming that the referendum is approved by the voters. The forecast indicates the projected non-home rule sales tax for the next ten years and assumes an average allocation of \$3.07 million annually to reduce water & sewer rates for capital purposes through Fiscal Year 2016. Funding is also provided over that same period to continue current service levels and provide some funding flexibility to address future service needs over a multi-year period.

Based on the analysis by staff, it is recommended that the current capital portion of the water and sewer rates remain unchanged at \$1.56 per 1,000 gallons for Fiscal Year 2007 (June 1, 2006 - May 31, 2007). Sales tax revenue received beginning in April 2007 would allow the Village to reduce the rate to \$1.20 beginning with Fiscal Year 2008 (June 1, 2007 - May 31, 2008) and to maintain that rate for capital improvements until at least the end of Fiscal Year 2016 (May 31, 2016).

Table 1 below compares projected capital rates under the Village's current 10-Year Capital Improvement Program with the proposed capital rate if offset by revenue from the non-home rule sales tax.

Reducing and then freezing the water and sewer capital rate rather than raising it as projected in the Capital Improvement Program would save the average residential customer approximately \$200 annually for the next 10 years. A family would have to spend \$20,000 per year on items taxable under the non-home rule sales tax [which **does not include** groceries, medicine or "big ticket" items such as cars] not to see a savings. The additional benefit for Lombard residents and businesses is that an estimated 52%-54% of the non-home rule sales tax will be paid by non-residents.

It is important to note that while rates for capital costs will decrease, increases in operating rates will probably be needed in the future as the cost of personnel, materials, electricity, water purchased from the DuPage Water Commission, expenses for the Glenbard Wastewater Authority and other costs increase. However, residents and businesses will still see a true savings over what their water and sewer bill would be if the referendum is unsuccessful.

Please contact me prior to the January 5th meeting should you have any questions.

*The current water & sewer capital rate is \$1.56 per 1,000 gallons used

Fiscal Year	Projected Annual Capital Rate	Proposed Capital Rate
FYE 2006	\$1.56	\$1.56
FYE 2007	\$1.98	\$1.56
FYE 2008	\$2.40	\$1.20
FYE 2009	\$2.82	\$1.20
FYE 2010	\$3.12	\$1.20
FYE 2011	\$3.42	\$1.20
FYE 2012	\$3.72	\$1.20
FYE 2013	\$3.92	\$1.20
FYE 2014	\$3.92	\$1.20
FYE 2015	\$3.92	\$1.20
FYE 2016	\$3.92	\$1.20

TABLE 1

FUND 1010
 FUND BALANCE PROJECTIONS
 GENERAL FUND
 TEN YEAR FINANCIAL FORECAST

ATTACHMENT A
 1.00% Sales Tax Option

	FYE 2006 General Only	FYE 2007 General Only	FYE 2008 General Only	FYE 2009 General Only	FYE 2010 General Only	FYE 2011 General Only	FYE 2012 General Only	FYE 2013 General Only	FYE 2014 General Only	FYE 2015 General Only	FYE 2016 General Only
BEGINNING FUND BALANCE	5,352,884	5,166,884	5,710,899	7,413,517	7,789,005	8,196,393	8,637,931	9,117,739	9,041,468	7,996,020	5,796,189

EXPENDITURES	FYE 2006	FYE 2007	FYE 2008	FYE 2009	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016
PERSONAL SERVICES	17,999,920	19,483,555	20,517,662	21,639,872	22,860,002	24,189,222	25,640,202	27,227,942	28,966,972	30,877,722	32,980,782
COMMODITIES	830,580	855,510	881,160	907,600	934,820	962,650	991,740	1,021,500	1,052,170	1,083,720	1,116,230
CONTRACT SERVICES	3,204,950	3,205,030	3,308,450	3,415,310	3,525,800	3,640,000	3,758,030	3,880,040	4,006,200	4,136,600	4,271,430
OTHER EXPENSES	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
CAPITAL OUTLAY	0	0	0	0	0	0	0	0	0	0	0
OTHER FINANCING USES	4,015,050	4,720,160	5,143,780	5,631,070	6,169,760	6,728,510	7,289,030	7,851,370	8,415,570	8,981,700	9,549,820
TOTAL	26,049,710	28,266,455	29,853,272	31,596,052	33,492,592	35,022,782	36,681,202	38,482,452	40,443,112	42,581,942	44,920,412

REVENUES	FYE 2006	FYE 2007	FYE 2008	FYE 2009	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016
TAXES	19,221,580	19,760,720	20,076,710	20,713,110	21,701,090	22,222,620	22,759,780	23,313,070	23,892,940	24,469,910	25,074,510
LICENSES & PERMITS	1,691,240	1,724,150	1,758,040	1,792,990	1,828,880	1,865,690	1,904,000	1,943,280	1,983,750	2,025,400	2,068,310
INTERGOVERNMENTAL REVENUES	72,940	76,240	79,700	83,340	87,160	91,170	95,380	99,800	104,450	109,330	114,450
CHARGES FOR SERVICES	2,551,680	4,961,600	7,266,390	6,855,260	7,662,900	8,561,460	9,563,910	10,084,191	10,347,814	10,619,631	10,899,942
FINES & FORFEITURES	583,980	601,460	619,450	638,050	657,180	676,880	697,180	718,070	739,580	761,760	784,600
MISCELLANEOUS REVENUES	592,640	575,240	643,070	774,880	847,270	929,240	1,022,090	1,127,430	1,217,090	1,272,280	1,285,740
OTHER FINANCING SOURCES	1,209,670	1,111,060	1,112,480	1,113,970	1,115,490	1,117,060	1,118,570	1,120,330	1,122,040	1,123,800	1,125,620
TOTAL	25,883,710	28,810,470	31,555,890	31,974,540	33,859,970	35,464,320	37,161,010	38,406,181	39,397,664	40,382,081	41,353,172

PROJECTED SURPLUS/(DEFICIT)	-186,000	544,016	1,702,618	376,488	407,388	441,538	479,808	-76,271	-1,045,448	-2,199,861	-3,567,240
ENDING FUND BALANCE	5,166,884	5,710,899	7,413,517	7,789,005	8,196,393	8,637,931	9,117,739	9,041,468	7,996,020	5,796,159	2,228,919

FUND BALANCE AS A PERCENTAGE OF TOTAL EXPENDITURES (EXCLUDING INTERFUND TRANSFERS)	23.45%	24.28%	30.00%	30.00%	30.00%	30.00%	30.00%	28.14%	23.50%	16.06%	5.81%
Non-Home Rule Sales Tax	\$2,310,000	\$7,731,000	\$7,962,930	\$8,201,820	\$8,447,880	\$8,701,320	\$8,962,350	\$9,231,220	\$9,508,160	\$9,793,400	
Total Allocation to Water/Sewer Capital Fund	\$3,428,000	\$4,174,930	\$3,716,820	\$3,187,880	\$2,561,320	\$2,429,689	\$2,567,906	\$2,711,579	\$2,860,888		

KLEIN, THORPE AND JENKINS, LTD.

SUITE 1660

20 NORTH WACKER DRIVE

CHICAGO, ILLINOIS 60606-2903

TELEPHONE (312) 984-6400

FACSIMILE (312) 984-6444

FACSIMILE (312) 606-7077

ORLAND PARK OFFICE

15010 S. RAVINIA AVE., SUITE 17

ORLAND PARK, IL 60462-3162

TELEPHONE (708) 349-3888

FACSIMILE (708) 349-1506

WRITER'S DIRECT DIAL

WRITER'S E-MAIL

MEMORANDUM

TO:

William T. Lichter, Village Manager

FROM:

Tom Bayer, Village Attorney

DATE:

November 9, 2005

RE:

Referendum Requesting Authority to Impose a Non-Home Rule Retailers' Occupation Tax and a Non-Home Rule Service Occupation Tax

Pursuant to the direction of the President and Board of Trustees at the November 3, 2005 meeting, enclosed please find the following Ordinance for adoption by the President and Board of Trustees at a future Village Board meeting (must be adopted no later than the January 5, 2006 Village Board meeting):

AN ORDINANCE OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS, SUBMITTING A PROPOSITION TO IMPOSE A NON-HOME RULE MUNICIPAL RETAILERS' OCCUPATION TAX AND A NON-HOME RULE MUNICIPAL SERVICE OCCUPATION TAX TO THE VOTERS OF SUCH VILLAGE AT THE GENERAL PRIMARY ELECTION SCHEDULED FOR MARCH 21, 2006

Also enclosed please find a Clerk's Certificate to the Election Authority. The Clerk's Certificate to the Election Authority, with a certified copy of the fully executed Ordinance attached to it, must be filed with the DuPage County Board of Election Commissioners on or before January 19, 2006.

If there are any questions, please feel free to call.

TPB/cag

Enclosures

cc: Brigitte O'Brien, Village Clerk

Leonard Flood, Finance Director

Timothy Sexton, Assistant Finance Director

LANCE C. MALINA
MICHAEL A. MARRS
THOMAS M. MELODY
JANET N. PETSCH
DONALD E. RENNERT, III
SCOTT R. UHLER
GEORGE A. WAGNER
ALLEN WALL
DENNIS G. WALSH
JAMES G. WARGO
BRUCE A. ZOLNA
OF COUNSEL
JAMES A. RHODES
RICHARD T. WIMMER

RINDA Y. ALLISON
TERENCE M. BARNICLE
JAMES P. BARTLEY
THOMAS P. BAYER
GERARD E. DEMPSEY
MICHAEL J. DUGGAN
JAMES V. FERLO
E. KENNETH FRIKER
BRIAN M. FUNK
CYNTHIA S. GRANDFIELD
KATHLEEN T. HENN
EVERETTE M. HILL, JR.
MICHAEL T. JURUSIK
JACOB H. KARACA
PATRICK A. LUCANSKY

ORDINANCE NO. _____

AN ORDINANCE OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS, SUBMITTING A PROPOSITION TO IMPOSE A NON-HOME RULE MUNICIPAL RETAILERS' OCCUPATION TAX AND A NON-HOME RULE MUNICIPAL SERVICE OCCUPATION TAX TO THE VOTERS OF SUCH VILLAGE AT THE GENERAL PRIMARY ELECTION SCHEDULED FOR MARCH 21, 2006

WHEREAS, the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, are subject to the requirement of prior referendum approval, authorized to impose a non-home rule municipal retailers' occupation tax and a non-home rule municipal service occupation tax, each at a rate not to exceed one-half (1/2) of one percent (1%), until December 31, 2005, and at a rate of not to exceed one percent (1%) thereafter, all pursuant to 65 ILCS 5/8-11-1.1 through 5/8-11-1.4, as amended by Public Act 94-0679, for public infrastructure; and

WHEREAS, the President and Board of Trustees have determined that it is in the best interests of the Village to seek referendum approval for the aforementioned taxes;

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, as follows:

SECTION 1: That the following proposition shall be submitted to the voters of this Village at the general primary election to be held on Tuesday, the 21st day of March, 2006 (the "Election"):

"Shall the Village of Lombard impose a tax under the Non-Home Rule Municipal Retailers' Occupation Tax Act (65 ILCS 5/8-11-1.3) at the rate of 1/2 of 1% for expenditure on public infrastructure and impose a tax under the Non-Home Rule Municipal Service Occupation Tax Act (65 ILCS 5/8-11-1.4) at the rate of 1/2 of 1% for expenditure on public infrastructure?"

SECTION 2: That the Election shall be held in the voting precincts and at the polling places established for the Village by the Board of Election Commissioners of DuPage County, Illinois (the "Election Commissioners").

NOTICE IS HEREBY GIVEN that at the general primary election held on Tuesday, March 21, 2005, the following question will be submitted to the voters of the Village of Lombard, DuPage County, Illinois:

“Shall the Village of Lombard impose a tax under the Non-Home Rule Municipal Retailers’ Occupation Tax Act (65 ILCS 5/8-11-1.3) at the rate of 1/2 of 1% for expenditure on public infrastructure and impose a tax under the Non-Home Rule Municipal Service Occupation Tax Act (65 ILCS 5/8-11-1.4) at the rate of 1/2 of 1% for expenditure on public infrastructure?”

VILLAGE OF LOMBARD

NOTICE OF ELECTION

SECTION 6: That said Notice shall include the following:

12-5 of the Code.

local community newspaper having general circulation in the Village as required by §§ 12-4 and

SECTION 5: That it is hereby found and determined that the *Lombard Spectator* is a

Election, as required by § 24A-18 of the Code.

supplied to the judges of said Election for posting in the polling places on the date of the

ballot label to be used at the Election shall be made available for public distribution and shall be

(“Electronic Voting System”) is used at the Election, a true and legible copy of the specimen

SECTION 4: That where an electronic, mechanical, or electric voting system

in accordance with Article 12 of the Code.

the date of said Election, but not more than thirty (30) days prior to the date of said Election, all

DuPage County, the date of such publication of such notice to be at least ten (10) days prior to

having general circulation in the Village of Lombard, and also once in a newspaper published in

in the Village of Lombard, and if none, then published once in a local, community newspaper,

Election Commissioners by publishing notice thereof once in one or more newspapers published

Code of the State of Illinois, 10 ILCS 5/1 *et seq.* (the “Code”) by the Executive Director of the

SECTION 3: That notice of said Election shall be given in accordance with The Election

/s/ Robert T. Saar
Executive Director
Board of Election Commissioners of DuPage County

General Primary Election - Tuesday, March 21, 2006
VILLAGE OF LOMBARD
DU PAGE COUNTY, ILLINOIS
Ballot for voting on proposition
to impose a non-home rule municipal
retailers' occupation tax and
non-home rule municipal service occupation tax

(BACK OF BALLOT)
OFFICIAL BALLOT

	NO	5/8-11-1.4) at the rate of 1/2 of 1% for expenditure on public infrastructure?
	YES	Shall the Village of Lombard impose a tax under the Non-Home Rule Municipal Retailers' Occupation Tax Act (65 ILCS 5/8-11-1.3) at the rate of 1/2 of 1% for expenditure on public infrastructure and impose a tax under the Non-Home Rule Municipal Service Occupation Tax Act (65 ILCS

indicating the way you desire to vote.

INSTRUCTIONS TO VOTERS: Mark a cross (X) in the square opposite the word

(FACE OF BALLOT)
OFFICIAL BALLOT

SECTION 7: That the ballot to be used at the Election shall be in substantially the following form with such alterations, changes, deletions, and insertions as required by Article 24A of the Code if an Electronic Voting System is used at the Election:

/s/ Robert T. Saar
Executive Director
Board of Election Commissioners of
DuPage County, Illinois

Dated at _____ day of _____, 2005.

The polls will be open at 6:00 a.m. and will continue to be open until 7:00 p.m. on that day.

SECTION 8: That the Election shall be conducted by the election judges appointed by

the Election Commissioners to act in the voting precincts at which said proposition will be

submitted to the voters of the Village.

SECTION 9: That the Clerk of this Village shall, not less sixty-one (61) days before the

regularly scheduled general primary election to be held on March 21, 2006, certify to the

Election Commissioners, the proposition as hereinabove set forth to be submitted to the voters of

this Village at said Election. Such certification shall include the form of the public question to

be placed on the ballot, the date on which the public question was initiated by the adoption of

this Ordinance, and a certified copy of this Ordinance, and shall be substantially in the form of

EXHIBIT A attached hereto and hereby made a part of this Ordinance.

SECTION 10: That said Election shall be held and conducted and the returns thereof

duly canvassed, all in the manner and the time provided by law.

SECTION 11: That all orders, resolutions and ordinances, and parts thereof, in conflict

herewith be and the same are hereby repealed, and that this Ordinance be in full force and effect

immediately upon its passage and approval as provided by law.

Passed on first reading this _____ day of _____, 2005.

First reading waived by action of the Board of Trustees this _____ day of _____

_____, 2005.

Passed on second reading this _____ day of _____, 2005, pursuant to a

roll call vote as follows:

AYES:

NAYS:

ABSENT:

Bridgite O'Brien
Village Clerk

ATTEST:

William J. Mueller
Village President

APPROVED by me this _____ day of _____, 2005.

I do further certify that said Ordinance includes the form of a public question to be placed on the ballot for the regularly scheduled general primary election to be held on March 21, 2006, and that said public question was initiated by the President and Board of Trustees of the said

which Ordinance was duly adopted by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, at a meeting held on the _____ day of _____, 2005, at which meeting a quorum of said President and Board of Trustees was present, and which Ordinance requires the submission to the voters of said Village of the public question set forth therein.

AN ORDINANCE OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS, SUBMITTING A PROPOSITION TO IMPOSE A NON-HOME RULE MUNICIPAL RETAILERS' OCCUPATION TAX AND A NON-HOME RULE MUNICIPAL SERVICE OCCUPATION TAX TO THE VOTERS OF SUCH VILLAGE AT THE GENERAL PRIMARY ELECTION SCHEDULED FOR MARCH 21, 2006

ORDINANCE NO. _____

entitled:

I do further certify that attached hereto is a true and correct copy of an Ordinance

Village.

I, the undersigned, the duly qualified and acting Village Clerk of the Village of Lombard, DuPage County, Illinois, pursuant to the provisions of 65 ILCS 5/8-11-1.1 through 5/8-11-1.4 and the applicable provisions of the Illinois Election Code, do hereby certify the following information in connection with the public question to impose a non-home rule municipal retailers' occupation tax and a non-home rule municipal service occupation tax within the

CLERK'S CERTIFICATE
TO ELECTION AUTHORITY

TO: Robert T. Saar
Executive Director
DuPage County Board of Election Commissioners
421 North County Farm Road
P.O. Box 1087
Wheaton, IL 60187

STATE OF ILLINOIS
)
) SS
)
COUNTY OF DU PAGE
)

EXHIBIT A

Village of Lombard, DuPage County, Illinois, by the adoption of said Ordinance on _____, 2005.
IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2005.

Brigitte O'Brien
Village Clerk
Village of Lombard

I do further certify that said Ordinance includes the form of a public question to be placed on the ballot for the regularly scheduled general primary election to be held on March 21, 2006, and that said public question was initiated by the President and Board of Trustees of the said

which Ordinance requires the submission to the voters of said Village of the public question set forth therein. 2005, at which meeting a quorum of said President and Board of Trustees was present, and Lombard, DuPage County, Illinois, at a meeting held on the _____ day of _____, which Ordinance was duly adopted by the President and Board of Trustees of the Village of

AN ORDINANCE OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS, SUBMITTING A PROPOSITION TO IMPOSE A NON-HOME RULE MUNICIPAL SERVICE OCCUPATION TAX AND A NON-HOME RULE MUNICIPAL SERVICE OCCUPATION TAX TO THE VOTERS OF SUCH VILLAGE AT THE GENERAL PRIMARY ELECTION SCHEDULED FOR MARCH 21, 2006

ORDINANCE NO. _____

entitled:

I do further certify that attached hereto is a true and correct copy of an Ordinance

Village.

I, the undersigned, the duly qualified and acting Village Clerk of the Village of Lombard, DuPage County, Illinois, pursuant to the provisions of 65 ILCS 5/8-11-1.1 through 5/8-11-1.4 and the applicable provisions of the Illinois Election Code, do hereby certify the following information in connection with the public question to impose a non-home rule municipal retailers' occupation tax and a non-home rule municipal service occupation tax within the

**CLERK'S CERTIFICATE
TO ELECTION AUTHORITY**

TO: Robert T. Saar
Executive Director
DuPage County Board of Election Commissioners
421 North County Farm Road
P.O. Box 1087
Wheaton, IL 60187

STATE OF ILLINOIS)
) SS)
) COUNTY OF DU PAGE)

Village of Lombard, DuPage County, Illinois, by the adoption of said Ordinance on _____, 2005.
IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2005.

Brigitte O'Brien
Village Clerk
Village of Lombard