



## Geneva Community Unit School District 304

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### Memorandum

To: Kent Mutchler, Superintendent  
CC: Board of Education

From: Donna Oberg, Assistant Superintendent – Business Services

Date: December 10, 2012

Re: 2012 Tax Levy Extension

By law, the District must file a tax levy by the last Tuesday of December (25<sup>th</sup>). If the levy increases by more than 5%, School Districts must hold a Truth in Taxation hearing to explain the increases. The District must notify the public of the hearing not less than 20 days prior to the adoption of the aggregate levy as to the estimated levy request. Notice of the hearing must be published in a newspaper of general circulation no more than 14 days or less than 7 days prior to the date of the public hearing (Chap. 120. Par.866. ILL. Rev. Stats.). There will be no public hearing for the 2012 levy.

The tax levy sets forth the maximum receipts that can be received from property taxation in a given year. The levy is filed by fund, but limited, in aggregate, by the *Property Tax Extension Limitation Act* (excluding the Debt Service Fund). Each year a Truth in Taxation hearing has been held as required, to request a levy that exceeds 5%. The Extension for the 2012 levy will increase less than 5%, therefore no Truth in Taxation hearing will be held.

Summarized below is the maximum tax rate that the District is permitted to levy by fund in the funds that are affected by the *Property Tax Extension Limitation Act*.

| Fund                     | Maximum Tax Rate |
|--------------------------|------------------|
| Education                | \$4.00           |
| Special Education        | \$0.80           |
| Tort Immunity            | Based on need    |
| Operations & Maintenance | \$0.75           |
| Transportation           | Based on need    |
| I.M.R.F.                 | Based on need    |
| Social Security          | Based on need    |

Summarized below are the tax rates that the District is expected to achieve based upon the projected EAV (both reassessment and new construction). The amount permitted under the

*Property Tax Extension Limitation Act* is a 3% increase however, the District has decided to levy less than the allowable amount.

| <b>Fund</b>              | <b>Estimated Tax Rate<br/>1.5%CPI</b> |
|--------------------------|---------------------------------------|
| Education                | \$3.7913                              |
| Special Education        | \$0.0000                              |
| Tort Immunity            | \$0.0000                              |
| Operations & Maintenance | \$0.7499                              |
| Transportation           | \$0.1422                              |
| I.M.R.F.                 | \$0.0961                              |
| Social Security          | \$0.0800                              |
| Bond & Interest          | \$1.3306                              |
| Estimated Total Tax Rate | \$6.1921                              |

It is important to note that when preparing the tax extension there are several extensions being determined. The (Official Legal Extension) is the official extension used to set the tax levy. This extension is set aggressively to ensure that the district does not leave any new property growth "untaxed". The (Actual Extension) is the actual extension set by the county treasurer after all property values are known. The final extension will not be determined until April 2013.

|                                   |                          |
|-----------------------------------|--------------------------|
|                                   | Official Legal Extension |
| 2011 Final Tax Extension (Capped) | \$76,157,197             |
| CPI-U December 2012               | 3.0%                     |
| CPI-U Levy                        | 1.5%                     |
| 2012 Capped Extension             | \$63,214,720             |
| 2011 Bond and Interest Tax        | \$17,302,070             |
| Total Extension                   | \$80,516,790             |
| Percent Increase Over Prior Year  | 5.41%                    |

### **Summary:**

The tax levy amount recommended is \$80,516,790 which is not the maximum increase of 3.0% allowed through the Property Tax Extension Limitation Law but a reduced rate of 1.5%.