MOKENA SCHOOL DISTRICT 159

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Information Memo

To: Superintendent Robert Gurney and The Board of Education
From: Dr. Teri Shaw, CSBO
Date: October 21, 2026
Re: **2026 Tax Levy**

The annual property tax levy is a critical component of the District's financial planning process, providing local revenue to support educational programs, staffing, facility maintenance, transportation, and other essential operations.

Illinois school district property tax levies are governed by statutory fund rate limitations and the Property Tax Extension Limitation Law (PTELL). PTELL generally limits annual increases in property tax extensions for existing property to the lesser of 5% or the applicable Consumer Price Index (CPI-U), while allowing additional revenue attributable to new construction and certain other adjustments.

For the 2026 tax levy, the applicable CPI is **2.7%**.

Proposed 2026 Tax Levy

At the November 11, 2026, Board meeting, Administration will present the proposed tentative 2026 property tax levy for consideration.

The proposed aggregate operating levy of **$22,727,000** represents a **6.44% increase** over the prior year's extension of $21,352,040.34.

It is important to distinguish between the amount requested through the levy and the actual amount the District is permitted to collect under PTELL.

Because the District is subject to PTELL, the proposed 6.44% increase does not mean that property tax revenues will increase by that amount. The actual extension will be determined by the statutory tax cap, available new property, and other applicable adjustments.

Why Does the District Request a Balloon Levy?

The District utilizes a *balloon levy*, requesting an amount greater than the anticipated extension to ensure that all eligible property tax revenue is captured.

This practice is particularly important because the final equalized assessed valuation (EAV) of new construction is not available when the District establishes its levy. Requesting an amount above the anticipated extension provides flexibility to capture revenue generated by new property entering the tax base.

A balloon levy does not override PTELL limitations. Rather, it helps ensure the District receives the full amount legally available once the County Clerk calculates the final extension.

Historical Balloon Levy Percentages

The District has historically utilized balloon levies as part of its annual financial planning process.

Mokena School District 159 prior balloon levy percentages:

2005	16.1%
2006	24.6%
2007	27.6%
2008	15.4%
2009	5.1%
2010	20.2%
2011	4.42%
2012	4.98%
2013	4.99%
2014	4.98%
2015	4.99%
2016	5.00%
2017	4.89%
2018	11.00%
2019	12.88%
2020	26.04%
2021	5.80%
2022	11.06%
2023	9.83%
2024	12.38%
2025	12.56%
2026	10.23%

Truth in Taxation Requirements

Under the Illinois Truth in Taxation Law, a taxing district proposing an aggregate levy exceeding 105% of the prior year's aggregate extension must publish the required notice and conduct a public hearing before adopting the final levy.

The District's proposed 2026 aggregate levy represents a 6.44% increase over the previous year's extension, exceeding the 5% statutory threshold.

Accordingly, **Mokena School District 159 will conduct a Truth in Taxation Hearing on December 16, 2026**, providing an opportunity for public review and comment before the Board considers final approval.

The Truth in Taxation requirement is based on the proposed levy rather than the amount ultimately extended by the County Clerk.

2026 Tax Levy Timeline

The 2026 Tax Levy Summary as well as the timeline of the levy process is as follows:

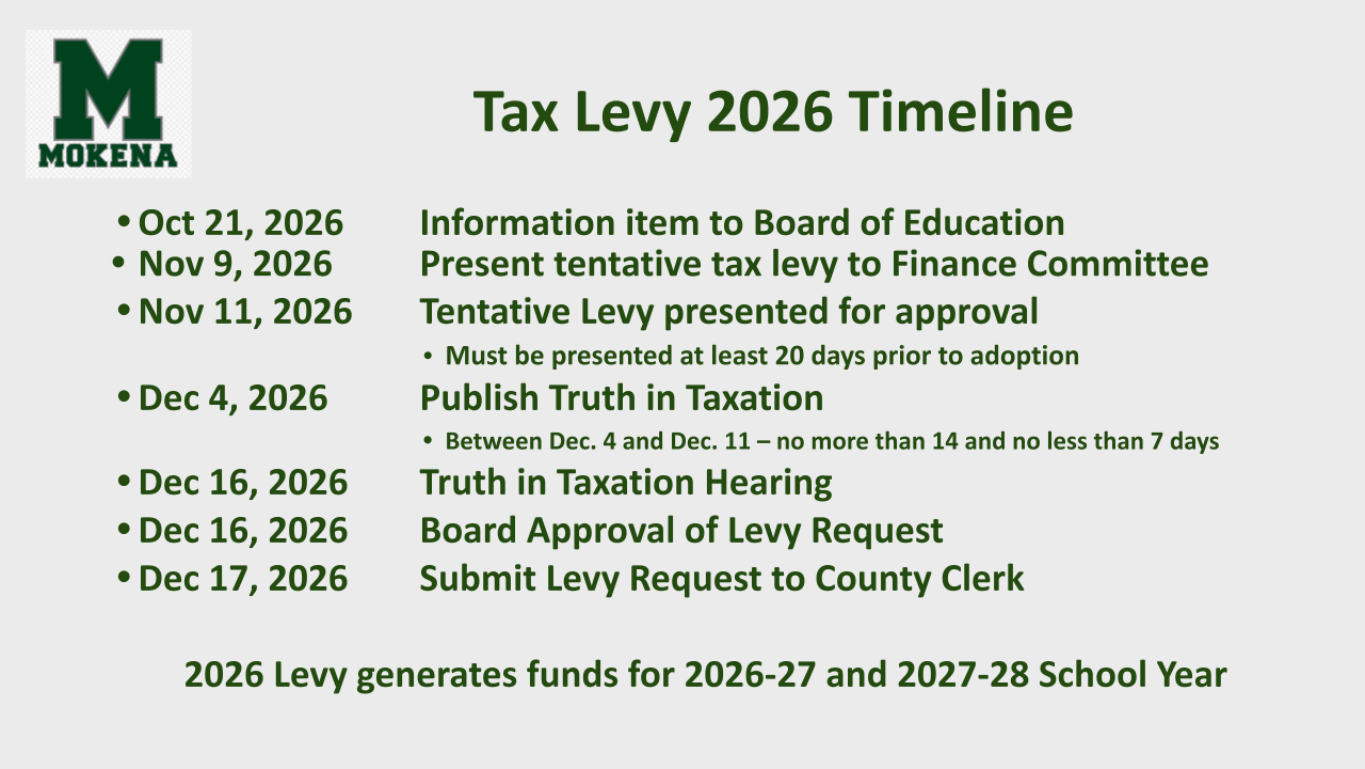
- Wednesday, November 11, 2026: Tentative Tax Levy Presentation
- Wednesday, December 16, 2026: Truth in Taxation Hearing
- Wednesday, December 16, 2026: Board approval of 2026 Tax Levy
- Thursday, December 17, 2026: Submit 2026 Tax Levy to Will County Clerk, although the tax levy is due to the County Clerk's Office no later than the last Tuesday in December.

Tax Levy Summary

I. The corporate and special purpose property taxes extended or abated for 2025 were $21,352,040.34. The proposed corporate and special purpose property taxes to be levied for 2026 are $22,727,000.00. This represents a 6.44% increase over the previous year.

II. The property taxes extended for debt service and public building commission leases for 2025 were $549,135.68 The estimated property taxes to be levied for debt service and public building commission leases for 2026 are $548,500.00. This represents a -0.12% decrease over the previous year.

III. The total property taxes extended or abated for 2025 were $21,901,176.02. The estimated total property taxes to be levied for 2026 are $23,275,500.00. This represents a 6.28% increase over the previous year.



Administration's Recommendation

Administration recommends that the Board review the proposed 2026 tentative tax levy and proceed with the required Truth in Taxation process.

The proposed levy is intended to preserve the District's ability to capture all legally available property tax revenue, including revenue associated with new construction, while maintaining compliance with PTELL and applicable statutory requirements.

The District's objective is to maintain long-term financial stability, support educational programs and operations, and responsibly manage local taxpayer resources.