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To: The Board of Education and Dr. Patrick Broncato, Superintendent  
From: Curt Saindon, Assistant Superintendent for Business Services/CSBO  
Date: October 25, 2024  
Subject: 2024 EAV, New Construction, CPI, and Preliminary Tax Levy Update

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Fall weather has finally arrived (there was actually some frost on my windshield in the morning this past week ☺) and that means it's time to begin discussing our tentative levy for Tax Year 2024. This memo will provide some initial data from the Lisle Township Assessor's Office and the DuPage County Supervisor of Assessor's Office that will be updated in November for the Tentative Tax Levy Presentation and then finalized in December for the Final Tax Levy Presentation and any related Board action, as needed. Based on this initial information, due to a lower CPI of 3.4% and relatively little new construction, we are not anticipating holding a Truth in Taxation Hearing on the tax levy as we have done the past few years. That will simplify the process somewhat. Some information is estimated and will not be known or determined until all final tax appeals have been heard and decided (Jan./Feb.), the final tax extensions and tax rates have been calculated and processed (Mar./Apr.), and the tax bills have been finalized and mailed out (May). Even then, there is a chance that with prior year PTAB Appeals, Circuit Court Cases, and/or Certificates of Error through the Property Tax Recapture Levy, the final amount extended and collected for a given year could change, sometimes years after the fact! Seven years ago we processed changes going all the way back to 2005, based on a then-settled tax objection lawsuit covering twelve years (2005 to 2016) and this year, we will be processing changes for the most recent six tax years based on the recently settled tax objection lawsuit for 2017-2022. The Tax Levy Recapture Act (passed in 2020 and enacted in 2021) allows us to collect for those previously extended but not collected taxes, and the new law generated additional tax revenues of about \$98K in 2021, \$48K in 2022, and \$107K in 2023 for our school district.

While this year is not a quadrennial reassessment year for DuPage County, a much larger than normal property multiplier has been applied by the Illinois Department of Revenue for all townships across DuPage County (this is actually occurring Statewide). Normally, in the 1.000 to 1.040 range, the multipliers in DuPage County are coming in at 1.085 – 1.135 this year (our Lisle Township multiplier is set at 1.095)! This means that a larger than normal EAV adjustment for a non-quadrennial assessment year will be occurring, and that will result in a higher than



# memo

normal amount of tax appeals being filed. So far, I have received no major tax appeal notices (asking for

Page 2

over \$100K reduction in EAV) as the assessment change letters just went out this past week, but I expect that we will start receiving them soon (in a down year, we usually get a ½ dozen or so and I would expect 4-5 times that many this year). The Board of Review Hearings for the 2024 tax appeals are expected to take place in December and January. All regular 2023 appeals have been settled/stipulated, and we have received about a dozen 2023 PTAB Appeals (all from ComEd challenging the assessment of various easements and right of way). We are working with our tax attorney (Scott Metcalf at Franczek) and the Lisle Township Assessor (John Trowbridge) to prepare a response for these PTAB appeals/hearings.

The new assessed values provided are for 1/1/24 and we are expecting larger increases in reassessments of about 9.5%-12.5% (about \$100M in EAV growth) based on the larger State multiplier and minimal new construction of about .15% (about \$1.5M in new EAV). This is the result of a strong residential real estate market, despite higher than normal interest rates (we are mainly made up of residential properties), that more than offset sluggish commercial, retail, office and industrial/non-residential real estate growth. The Lisle Township Assessor's Office identified a few new, smaller, individual residential construction projects, and there is one large residential project (River's Edge at Route 53 and Summerhill Drive) that is starting up now, and one medium sized multi-family residential project just north of Goodrich (Headburn Court) that should get going next spring. So, with about \$100M in reassessment growth and \$1.5M in new construction, we would expect Total Net EAV to grow to a little over \$1.2B in 2024.

John Trowbridge, the Lisle Township Assessor, is very knowledgeable and a great resource for our school district. He is projecting a 10% overall increase in reassessments for existing properties and he is fairly certain that the number will come in slightly over 10% for all property classes, on average. Additionally, he has identified about \$1.5M in new construction EAV thus far and that number might change slightly over time. Therefore, I am conservatively estimating that reassessment increases will probably come in at 10%, on average, and that new construction will come in at .15% overall. New construction has been trending in the \$2M to \$4M range for the past few years, and it will be down slightly this year before going back up next year as the larger residential developments mentioned above are built out. Overall, new construction should be very minimal and in the \$1.5M to \$7.5M range annually (~ .125% - .625% of EAV). Per Mr. Trowbridge, he should have more exact information prior to the November Board Meeting and we will be getting a full assessment and new construction report



# memo

from Lisle Township in late October or early November, prior to the presentation of our Tentative Tax Levy.

Page 3

Also, per the Property Tax Extension Limitation Law (PTELL, also known as “Tax Caps”), the existing property tax extension growth from one year to the next is limited to the CPI from the prior year, or 5%, whichever is less, plus new construction. For the 2024 tax levy, we are using the 2023 CPI of 3.4%, and when adding in minimal new construction growth (.15%) and a small balloon levy factor (.95%), the requested overall tax levy extension growth will only be 4.5% or less. Therefore, as we are below the 5% Truth in Taxation Act limit, we will not need to conduct a levy hearing. Finally, per the requirements of a new law passed in 2020 (PA102-0895, the Tax Levy Recapture Act) and implemented in 2021, we must state and disclose our cash balance position and any obligations secured by those funds that are in our operating funds at the public hearing for the budget and/or tax levy, if applicable. Since we do not have a tax levy hearing this year, I will present the required information during the final levy presentation.

Taking into account all factors, I would expect to see about a \$1.7M increase in our tax levy extension (from about \$46.1M to \$47.8M) with about \$1.6M due to reassessments and \$100K due to new construction. This is about half what we saw in 2022 and 2023, as the CPI was 7.0% and 6.5%, respectively, during those years. CPI was 3.4% in 2023 and we expect CPI to trend back down under 3% in 2024 and beyond, settling in around 2.0% to 2.5% thereafter (at least, that is the goal of the Federal Reserve Board). I would initially estimate that our tax rate will decrease near \$4.00 (it was \$4.18 in 2023) and then slowly decline into the \$3.90 - \$4.00 range over the next few years thereafter (if inflation stays low at around 2%-2.5%). This will depend on final annual new construction and reassessment numbers, as well as CPI rates during those years. We are, therefore, probably looking at an approximately \$48M levy request and a \$47.5M levy extension for 2024 (a 3% net increase over last year) when all is said and done. A balloon levy of \$450K (about .95%) is very normal for us (last year it was \$500K) and the County will not extend any more in property taxes than we are legally entitled to receive.

As more information becomes available from the Lisle Township Assessor’s Office and the DuPage County Supervisor of Assessor’s Office I will let you know. More detailed information will be provided at the November and December Board Meetings. As always, please let me know if you have any questions or need additional information. Thank you.