



# 2023 Tentative Tax Levy

*New Berlin C.U.S.D. #16*

*December 13, 2023*

Presented by:

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Chief Financial Officer



# What is a Tax Levy?

- *Taxing District*
  - *Unit of local government, school district, or community college district with the power to levy property taxes.*
- *Levy*
  - *Total property tax revenue requested by a taxing district from taxpayers to fund operations in a fiscal year.*
  - *The District must file a Certificate of Tax Levy by the last Tuesday in December.*
- *Tax Extension*
  - *Is the amount of taxes billed to property taxpayers of the taxing district in the previous year.*
- *Equalized Assessed Value (EAV)*
  - *Equal to 1/3 of the market value of a parcel of real property.*
- *Tax Rate*
  - *The amount of tax due stated as a percentage of the total EAV.*

# Levy Process

Date	Task
November 14, 2023	Presentation of Tentative Tax Levy
November 14, 2023	Approve a Tentative Tax Levy
November 27, 2023	Publish levy hearing notice in local newspaper (if necessary)
December 13, 2023	Board Holds Public Hearing for Tax Levy (if necessary)
December 13, 2023	Board Approves Final Tax Levy
Prior to December 26, 2023 (last Tuesday in December)	File Levy with County Clerks (Sangamon and Morgan Counties)
March/April, 2024	Verify Levy and Extension
May 2024	County sends out tax bills
June/July 2024	Collections begin and 1 <sup>st</sup> payment received

# Levy Process

- *PTELL – Property Tax Extension Limitation Law*
  - *Limits annual extension of taxes to the CPI or 5% whichever is less (excluding new property)*
  - *CPI for 2022 Tax Levy is 6.5% (December 2022)*
- *Determine Tax Extension*
  - *Estimate EAV based on history and most recent trends*
  - *Calculate Estimated Limiting Rate*

*Limiting Rate:  $\frac{(\text{Prior Year Extension} \times (1 + \text{Lesser of 5\% or CPI}))}{(\text{Total EAV} - \text{New Construction})}$*
  - *Estimated Property Tax Extension*
- *Certificate of Tax Levy*
  - *The District's request for the maximum tax to be extended.*
  - *Request Whole Dollar Amount as tax rate will fluctuate with changes in the EAV*
  - *Board to approve final tax levy in December*
  - *Final EAV figures will be available in April*

# Things We Know

- *CPI is 6.5%; District will be limited to 5%*
- *Based on PTELL, Estimated EAV and New Construction, we expect to see an overall increase in tax extension of 6.12% (Total=\$9,247,345)\**
- *Levy request represents 24.68% increase over last year's extension (\$10,864,425)\**
- *This levy request allows the district to account for unforeseen circumstances that may affect final calculations*

*\* Does not include Bond & Interest*



# Calculation

*Limiting Rate:*

*(Prior Year Extension x (1+Lesser of 5% or CPI))*  
*(Total EAV - New Construction)*

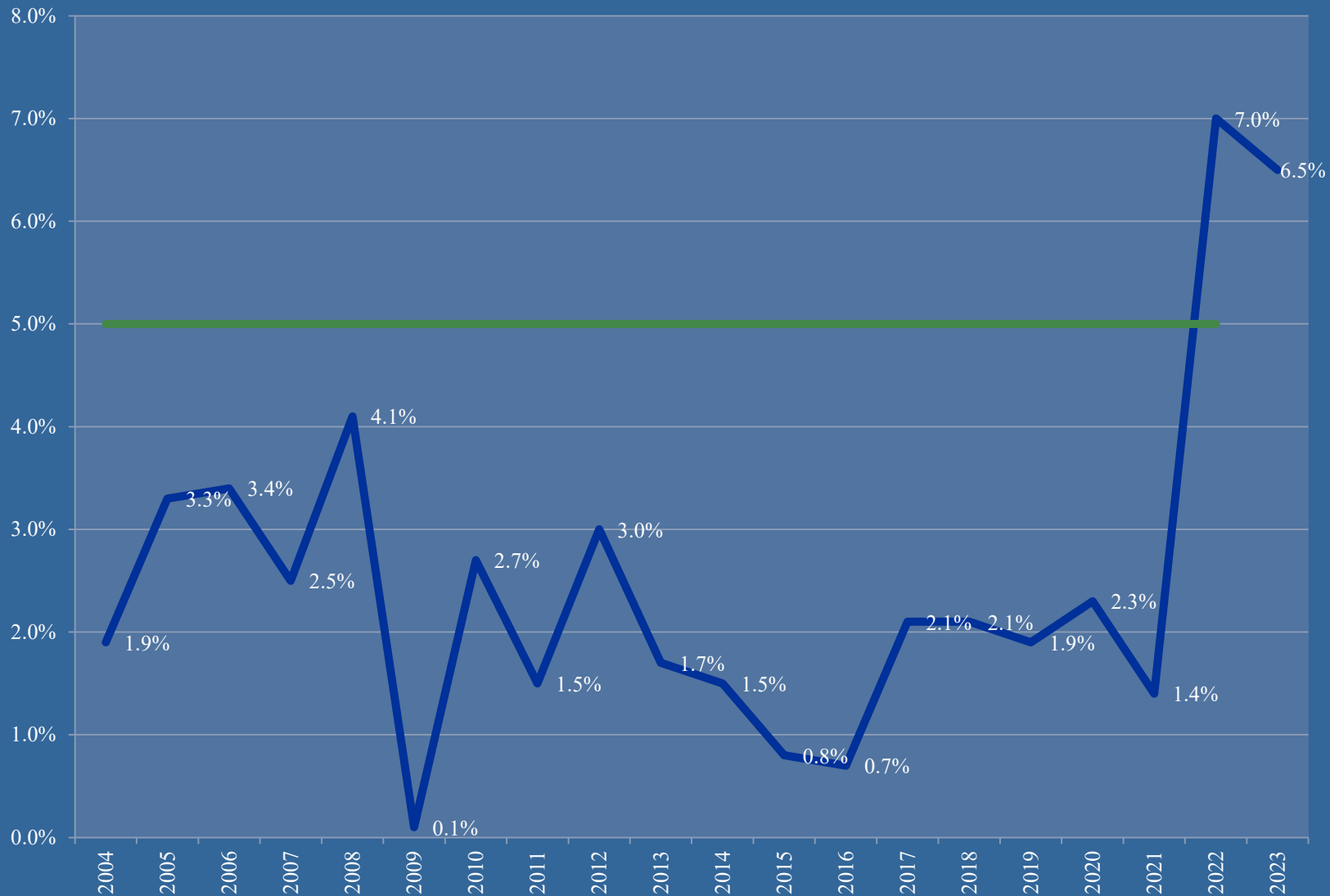
<b>Limiting Rate</b>	<b>\$8,713,643 x (1 + 0.0500)</b> <b>(\$230,553,108 – \$2,443,802)</b>	<b>= 4.0109</b>
Estimated Capped Extension	Total EAV x Limiting Rate	
	\$230,553,108 x 0.040109	= \$9,247,345*
* Represents 6.12% increase over 2022 Tax Extension		



# Historical Data



# CPI History (20 Year Average = 2.5%)

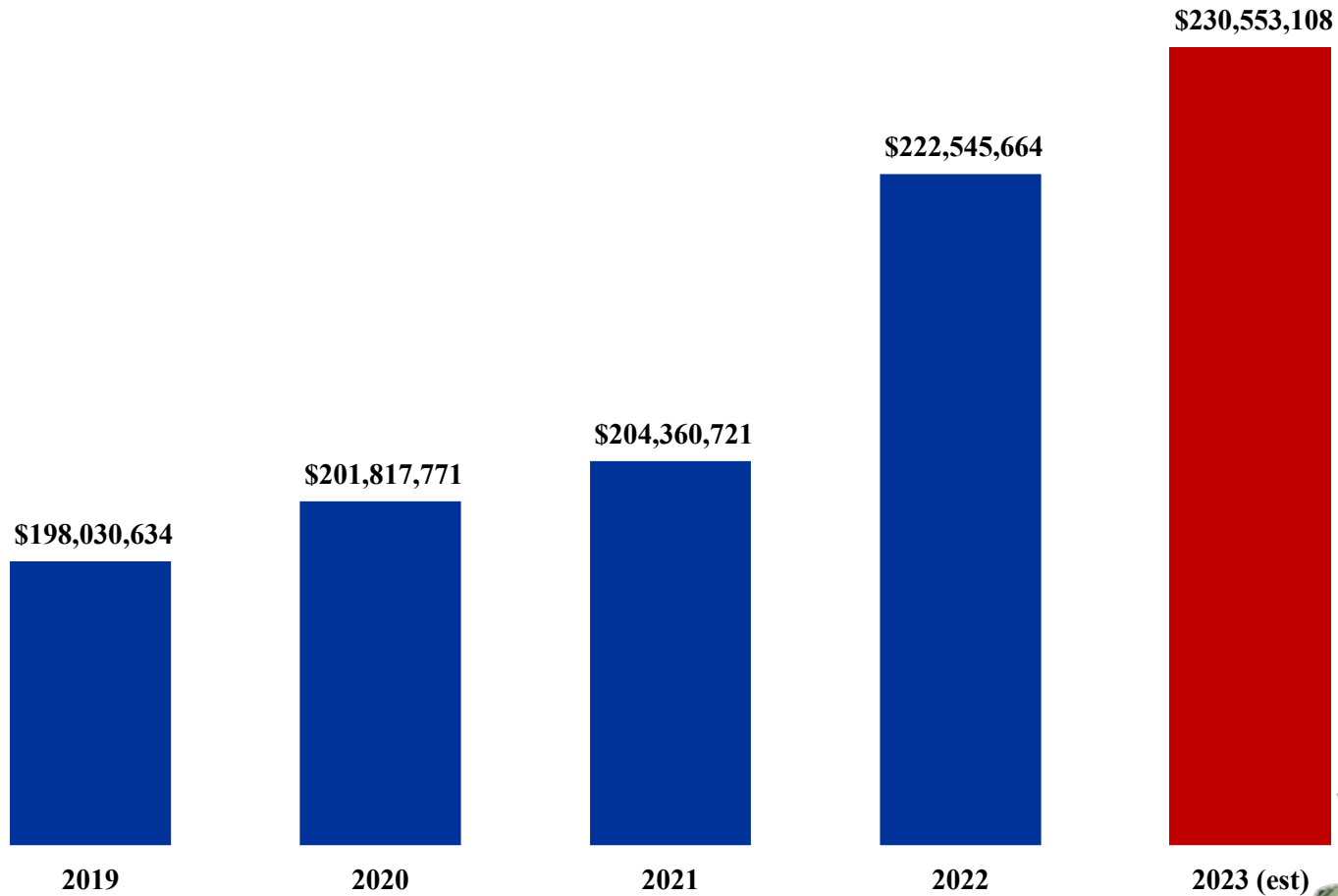




# Actual EAV

Limiting Rate:

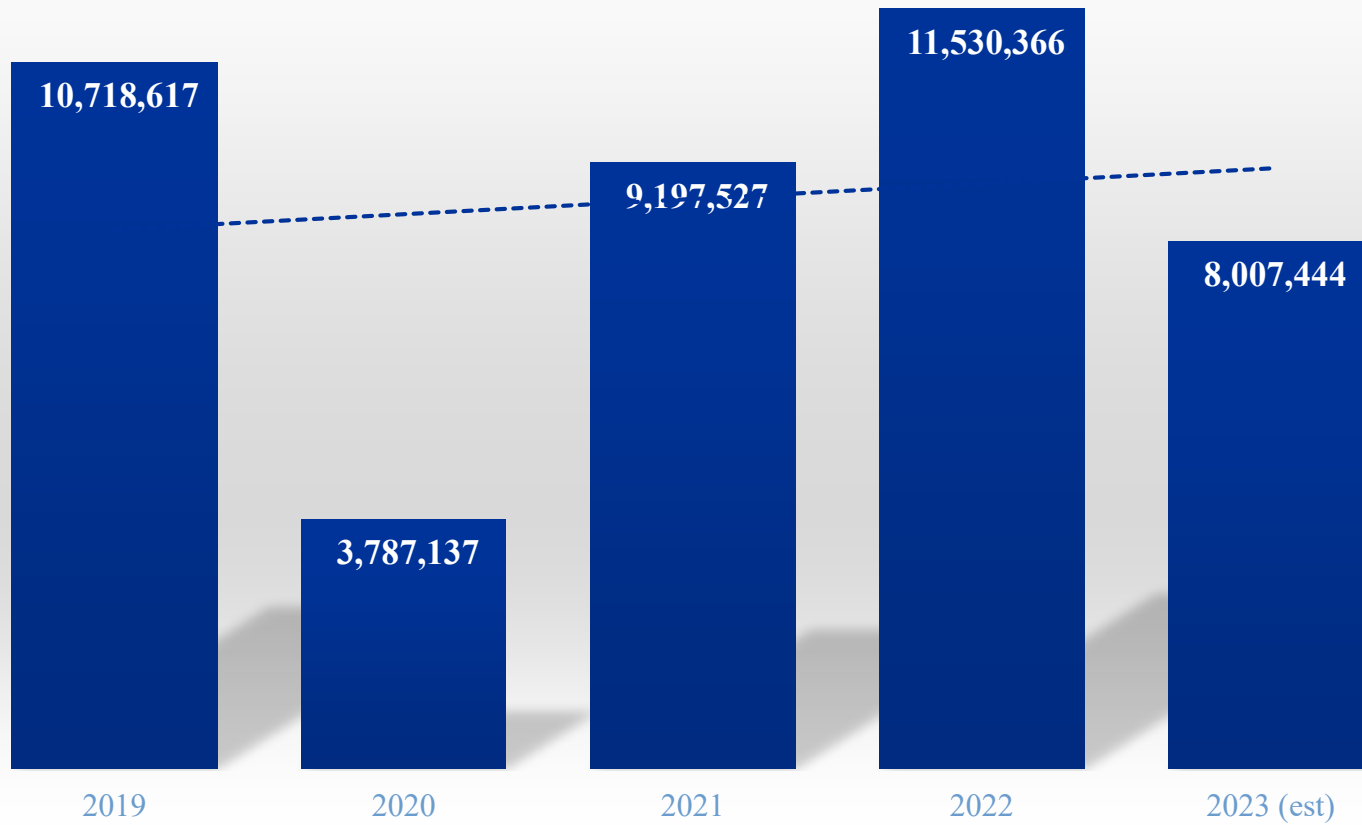
$(\text{Prior Year Extension} \times (1 + \text{Lesser of 5\% or CPI}))$   
 $(\text{Total EAV} - \text{New Construction})$



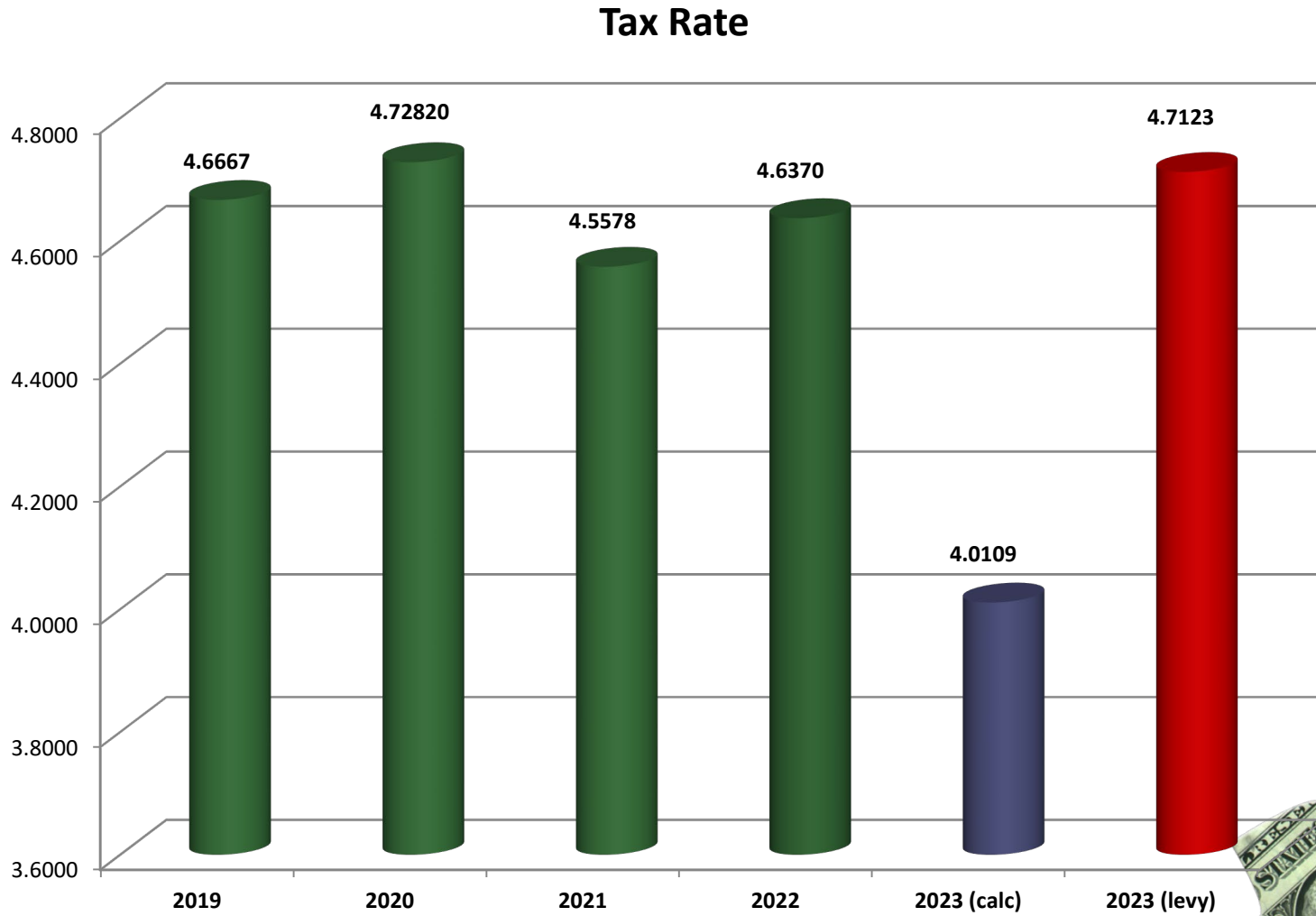
# Growth in EAV

*Limiting Rate:*

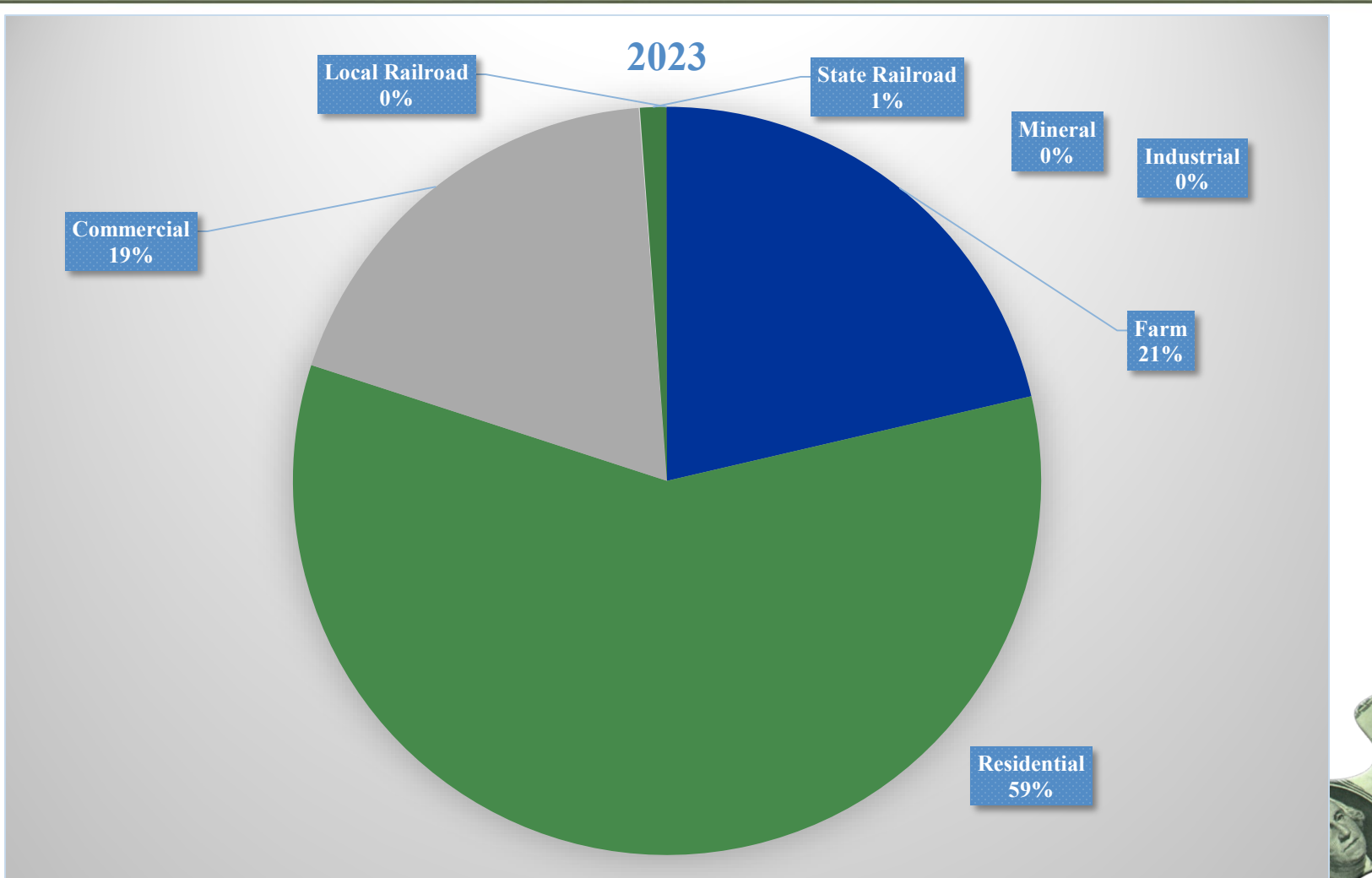
*(Prior Year Extension x (1+Lesser of 5% or CPI))*  
*(Total EAV - New Construction)*



# Tax Rate History



# Breakdown of EAV



# Fund Balance Breakdown

<b>Fund</b>	<b>Balance</b>
Education	\$ 2,988,287
Operations & Maintenance	\$ 2,392,337
Bond & Interest	\$ 412,698
Transportation	\$ 297,328
IMRF/Social Security	\$ 252,246
Capital Projects	\$34,491,961
Working Cash	\$ 2,510,511
Tort Immunity	\$ 113,647
Fire Prevention & Safety	<u>\$ 630,387</u>
Total	\$44,089,402

# 2023 Tax Levy

*Limiting Rate:* *(Prior Year Extension x (1+Lesser of 5% or CPI))*  
*(Total EAV - New Construction)*

**2023 Estimated EAV** \$230,553,108  
**2023 Estimated New Property** \$ 2,443,802  
**Limiting Rate:** 4.01090

	2022 Rate	2022 Extension	2023 Calculated Rate	Calculated 2023 Tax Extension	2023 Proposed Rate	Proposed 2023 Levy Request	Increase
Transportation	0.19997	\$ 442,673	0.20377	\$ 469,787	0.21687	\$ 500,000	\$ 57,327
Education	1.96743	\$ 4,359,107	2.00652	\$ 4,626,097	2.38557	\$ 5,500,000	\$ 1,140,893
Building	0.56001	\$ 1,240,823	0.57116	\$ 1,316,822	0.77206	\$ 1,780,000	\$ 539,177
IMRF	0.08008	\$ 177,208	0.08157	\$ 188,062	0.08675	\$ 200,000	\$ 22,792
Working Cash	0.05118	\$ 113,456	0.05222	\$ 120,405	0.05422	\$ 125,000	\$ 11,544
Tort Immunity	0.09496	\$ 210,348	0.09682	\$ 223,231	0.09759	\$ 225,000	\$ 14,652
Social Security	0.08008	\$ 177,208	0.08157	\$ 188,062	0.08675	\$ 200,000	\$ 22,792
Special Education	0.69521	\$ 1,539,935	0.70884	\$ 1,634,255	0.80000	\$ 1,844,425	\$ 304,490
Fire Prevention & Safety	0.10230	\$ 226,443	0.10423	\$ 240,312	0.10843	\$ 250,000	\$ 23,557
Lease	0.10230	\$ 226,443	0.10423	\$ 240,312	0.10410	\$ 240,000	\$ 13,557
Bond & Interest	0.02101	\$ 1,605,119	0.69602	\$ 1,604,690	0.69602	\$ 1,604,690	\$ (429)
<b>Total Tax Extension</b>	<b>3.95453</b>	<b>\$ 10,318,762</b>	<b>4.70696</b>	<b>\$ 10,852,035</b>	<b>5.40835</b>	<b>\$ 12,469,115</b>	<b>\$ 2,150,353</b>

# Q & A

