



Subject: 2024 Levy Information
Date: October 15, 2024

As the Administration continues to evaluate the financial status of the District and begins to build the FY 2025-2026 Budget, we begin working on the 2024 levy. As you know, the tax levy is the formal request, in dollars, by the Board of Education with the request based on an estimation of the District's needs for the upcoming fiscal years. The tax rates are then calculated by the County Clerk's office.

For the 2024 tax levy, the York Township Assessor's Office will use the three year weighted average for the values of properties on January 1st. The other factors used to determine the District's Equalized Assessed Value (EAV) are:

- Recent property sales
- Property foreclosures
- Property short sales
- Tax appeals

Based on all of the above we are estimating a 3.0% increase to the equalization factor for this year's levy calculations. We do not yet know if a state multiplier will be applied to the County assessments. Historically, the state multiplier has always been one (1.0).

New construction equalized assessed value estimates are very important during the levy calculation process, as these calculations are made outside of the PTELL (Property Tax Extension Limitation Law) or Tax Cap calculations. This year, based on a 3-year historical average, we are estimating new construction to be \$4,056,940.

Maximum legal rates and the Property Tax Extension Limitation Law (PTELL) or Tax Cap law for equalized assessed valuation controls the tax rates. The restricted tax rate limits the levy increases to either the Consumer Price Index (CPI) or 5%, whichever is lower. The Consumer Price Index used for the 2024 levy is 3.4% compared to 5.0% for the 2023 levy. The 3.4% tax cap restriction is applied to all existing property. New property yields additional tax dollars above the existing property and is taxed at the full-assessed valuation when it first comes on the tax rolls.

We are requesting more than we know that we will receive in order to provide fair assessment to new properties. This is to avoid the loss of current and future tax dollars by not taxing the new property and losing the future taxes due to the Tax Cap law. If we do not project a high enough levy to capture all new property, the school district will permanently lose access to the revenue from the new property. Due to the nature of all the factors that will not be available until after we are required to provide a levy, we estimate high knowing that the County Clerk will reduce the levy by applying the Tax Cap formula to the levy request and will recalculate the levy extension. The estimate is based upon a 5.88% increase above our 2023 levy extension in order to account for new construction property assessments added to the tax rolls. When including the Bond & Interest levy, the overall levy increase is estimated to be 4.36% over 2023. Again, the County Clerk will reduce the levy request to conform with the Tax Cap law and reduce the levy extension to a 3.4% increase on existing property. For example, the request for the 2023 levy was 7.97%

over the 2022 extension yet when the County Clerk applied the Tax Cap and included the new construction the District only received 5.3% of new money.

The proposed timeline for the levy process is as follows:

October 2024	Received equalized assessment and new construction estimate information from the York Township Assessor.
October 15, 2024	Discuss 2024 levy components with the Board of Education.
November 12, 2024	Board of Education approval of the estimated 2024 tax levy recommendation.
November 15, 2024	Place Truth in Taxation notice on District 45 website (if one is needed).
December 5, 2024	Publish Truth in Taxation notice and public hearing notice (If one is needed).
December 17, 2024	Board of Education approval of the 2024 Tax Levy Certificate.
December 18, 2024	File the 2024 Tax Levy Certificate with the County Clerk.