

Roselle School District 12

2022 Levy Presentation
November 15, 2022



Tax Levy 101: Terminology

- **Tax Levy:** the request of funds by the district which will be filed with the county clerk prior to the last Tuesday in December
- **Tax Extension:** the actual amount calculated by the county clerk to be placed on the bills to be collected
- **EAV:** Equalized Assessed Valuation. The assessed value for tax purposes on a piece of property is $\frac{1}{3}$ of its fair cash value (if your home is worth \$300,000, its equalized assessed valuation would be \$100,000)
- **CPI:** Consumer Price Index. As it pertains to property taxes, this is the percentage change in CPI for all urban goods from one December to the next. CPI represents the limit the district can increase its levy from one year to the next for all capped funds.
- **New property:** property that was either built or property that was previously exempt but is now taxable.

Tax Levy 101: Timeline

- November 15, 2022 -- Board reviews tentative levy
- November 7, 2022 -- District publishes Truth in Taxation hearing notice
- December 20, 2022 -- Board holds Truth in Taxation Hearing and approves final levy
- Prior to December 27, 2022 -- Levy will be filed with DuPage County Clerk
- March/April 2023 -- Clerk uses finalized EAV and new property numbers to provide extension amounts to school districts
- May/June 2023 -- District receives first round of property taxes from 2022 levy

Tax Levy 101: PTELL

- Property Tax Extension Limitation Law; commonly referred to as “Tax Caps”
- Limits how much the district can increase its property tax revenue from one year to the next (by **CPI** or 5%, whichever is lower)
- 2022 is the first time since this law was enacted that **CPI** is in excess of 5%
- County Clerk’s office calculates a **limiting rate** that all capped funds cannot exceed
- If the district’s levy exceeds the limiting rate, the County Clerk reduces those funds accordingly

A Brief History of the Consumer Price Index

YEAR	CPI	LEVY YEAR	YEAR TAXES PAID
2012	1.7%	2013	2014
2013	1.5%	2014	2015
2014	0.8%	2015	2016
2015	0.7%	2016	2017
2016	2.1%	2017	2018
2017	2.1%	2018	2019
2018	1.9%	2019	2020
2019	2.3%	2020	2021
2020	1.4%	2021	2022
2021	7.0%	2022	2023

Truth in Taxation

- The Truth in Taxation law requires the district to compare the amount of its proposed aggregate property tax levy to the amount of taxes extended to the district in the prior year.
- A notice must be published in the newspaper and a hearing must be held if the proposed aggregate levy is more than 5% greater than the previous year's extension.
- Roselle School District 12 will hold a Truth in Taxation hearing on December 20th

How is a Levy Calculated?

$$\text{Limiting Rate} = \frac{(\text{Prior Year Extension} \times (1 + \text{Lesser of 5\% or CPI}))}{(\text{Total EAV} - \text{New Property})}$$

Estimated EAV: \$358,382,199

Estimated New Property: \$774,400

Limiting Rate: 2.9175

Estimated Capped Extension: \$10,455,929

Difference between Estimated Capped Extension and the Levy

- In simple terms, the levy is what the district asks for, and the extension is what the district receives
- EAV and new property figures are just *estimates* from the Township Assessor
- Maximizing the district's levy reduces the risk of the district leaving money on the table; the district will not receive money it is entitled to if it does not ask for it
- It is recommended that the Board of Education ask for more than the estimated capped extension as a way to hedge bets against incorrect estimates
- In previous years, the district achieved this aim by ballooning the levy to 4.99% (which would avoid a Truth in Taxation hearing)

2021 Property Tax Levy vs. Extension

FUND	2021 LEVY	2021 EXTENSION	RATE
Education	\$8,711,012	\$8,711,193	2.8202
Operation/Maint	\$1,193,958	\$894,533	0.2896
IMRF	\$73,775	\$52,819	0.0171
Transportation	\$199,443	\$199,540	0.0646
Social Security	\$78,386	\$78,457	0.0254
Total Capped	\$10,256,574	9,936,543	3.2169

Proposed 2022 Tax Levy

Fund	2021 Extension	2022 Levy	Difference	% Change
Education	\$8,711,193	\$9,139,031	\$427,838	4.9%
Operation/Maint	\$894,533	\$931,878	\$37,345	4.2%
IMRF	\$52,819	\$15,007	(\$37,812)	-71.6%
Transportation	\$199,540	\$401,044	\$201,504	201%
Social Security	\$78,457	\$15,686	(\$62,771)	-80%
Working Cash	\$0	\$179,000	\$179,000	-
Total Capped	\$9,936,543	\$10,681,646	\$745,103	7.5%

