



# 2022 TAX LEVY YEAR

PROPOSED TENTATIVE LEVY

Geneva CUSD No. 304

Board of Education Meeting

November 14, 2022

# TAX LEVY COMPONENTS



- EAV = Equalized Assessed Valuation
- New Property/Construction
- PTELL = Property Tax Extension Limitation Law
- CPI-U = Consumer Price Index-Urban
- Tax Rates
- Total Extension

# WHAT IS EAV?



## Equalized Assessed Valuation

- EAV is the property valuation after the county and state equalization calculations are performed

## Why is EAV Important?

- Any growth in EAV must be captured to ensure the financial health of the District. The total EAV is multiplied by the approved tax rate (per \$100 EAV) to arrive at the extension

# EAV HISTORY



LEVY YEAR	RATE SETTING EAV	CHANGE OVER PRIOR YEAR
2013	1,241,734,700	-3.42%
2014	1,252,189,532	0.84%
2015	1,287,126,861	2.79%
2016	1,372,098,427	6.60%
2017	1,412,954,679	2.98%
2018	1,465,367,175	3.71%
2019	1,490,307,661	1.70%
2020	1,519,169,187	1.94%
2021	1,561,979,224	2.82%
2022	1,647,242,745	5.46% *Estimated

# NEW PROPERTY/CONSTRUCTION



- New improvements or additions to existing improvements that increase the assessed value of that real property
- The date for determining fair market value is January 1<sup>st</sup>
  - Commercial      \$3,621,230
  - Farm                \$0
  - Industrial        \$4,441,582
  - Residential      \$6,248,695
  - Total              \$14,311,477
- New Construction and Property Improvements are exempt for the tax cap for the first year

# PROPERTY TAX EXTENSION LIMITATION LAW – PTELL



- The Property Tax Extension Limitation Law (PTELL) became effective in 1991
  - PTELL is designed to limit the increases in property tax extensions (total taxes billed) for taxing districts
  - Commonly called the “Tax Cap” the use of this phrase can be misleading. PTELL does not cap an individual’s property tax bill or property assessment
  - PTELL allows a taxing district to receive a limited inflationary increase in tax extensions on property

# WHAT IS THE LIMITATION?



- Increases in property tax extension for the existing property are limited to the lesser of 5 percent or the increase in the Consumer Price Index for Urban (CPI-U) for the year preceding the levy year
- This limitation does not apply to new property (construction), which allows taxing bodies to recoup their “fair share” of tax revenue for that property
- There has not been a CPI-U of 5 percent since the inception of PTELL until this year

# CONSUMER PRICE INDEX FOR PTELL



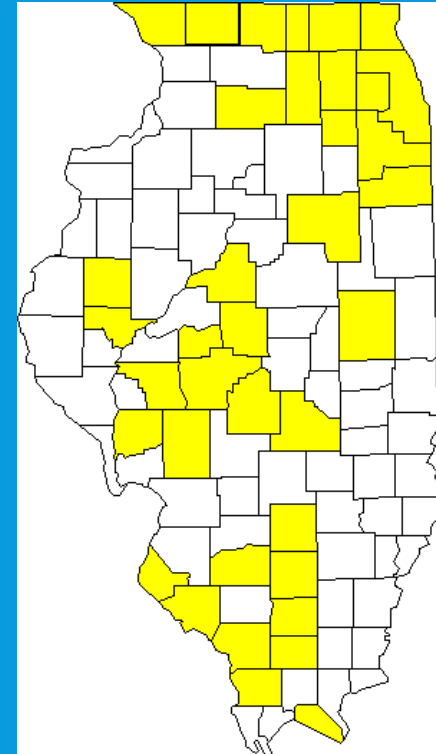
LEVY YEAR	PTELL CAP
2012	1.70%
2013	1.50%
2014	0.80%
2015	0.70%
2016	2.10%
2017	2.10%
2018	1.90%
2019	2.30%
2020	1.40%
2021	5.00%



# TAX CAPPED DISTRICT AND COUNTIES



- 39 Tax Capped Counties
- 102 Tax Capped Districts



# FUNDS SUBJECT TO PTELL



- Capped Funds
  - Education, Special Education, Operation & Maintenance, Transportation, Social Security, IMRF, Fire Prevention and Safety
- Not Capped Funds
  - Bonds and Interest, Working Cash Bonds

# CALCULATING THE LIMITING RATE



The limiting rate is the calculated total allowable tax rate. This rate is used to calculate the total tax extension:

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

## Notes:

1. The Limiting Rate is based on the prior year extension
2. New Property (construction) is outside the tax cap
3. Debt Service payments are outside the tax cap

# LIMITING RATE HISTORY-TAX YEAR



YEAR	TOTAL RATE	CAPPED	NON-CAPPED
2012	6.103	4.924	1.178
2013	6.445	5.184	1.260
2014	6.580	5.265	1.314
2015	6.470	5.217	1.252
2016	6.075	4.978	1.096
2017	6.038	4.982	1.056
2018	5.968	4.950	1.018
2019	5.994	4.991	1.002
2020	6.017	5.040	0.977
2021	5.976	5.019	0.957
2022 *Estimated	5.859	4.959	0.900

# 2022 LEVY ASSUMPTIONS



- CPI-U = 7.1% (December 2021)
- PTELL Cap = 5.0%
- Estimated EAV = \$1,644,225,320
- EAV Increase Over Prior Year = 5.46%
- New Construction = \$14,311,477
- Levy at 4.0%
- Estimated Tax Receipts = \$96,371,530
- Tax Receipts received in FY23 and FY24

# ESTIMATED 2022 TAX YEAR LEVY



	Prior Year Extension	Statutory Maximum Tax Rate	Individual Fund Estimated Maximum Extension	Weighted Extension Based on Prior Year Extension	Levy Amount \$	Levy Increase %	Final Levy Amount
<b>Educational</b>	\$55,549,791.77			\$57,687,446.91	\$57,885,823		\$57,885,823.00
<b>Operations &amp; Maintenance</b>	\$11,469,316.67	<b>0.75</b>	\$12,331,689.90	\$11,910,676.45	\$12,300,000		\$12,300,000.00
<b>Transportation</b>	\$2,284,379.00			\$2,372,285.98			\$2,372,286.00
<b>Working Cash</b>	\$0.00	<b>0.00</b>	\$0.00	\$0.00			\$0.00
<b>Municipal Retirement</b>	\$1,386,272.18			\$1,439,618.41	\$1,469,618		\$1,469,618.00
<b>Social Security</b>	\$1,667,100.43			\$1,731,253.43	\$1,781,253		\$1,781,253.00
<b>Fire Prevention &amp; Safety *</b>	\$1,528,865.26	<b>0.10</b>	\$1,644,225.32	\$1,587,698.72	\$0		\$0.00
<b>Tort Immunity</b>	\$0.00			\$0.00	\$0		\$0.00
<b>Special Education</b>	\$4,514,854.09	<b>0.80</b>	\$13,153,802.56	\$4,688,593.73	\$5,728,594		\$5,728,594.00
<b>Leasing</b>	\$0.00	<b>0.00</b>	\$0.00	\$0.00			\$0.00
	\$0.00	<b>0.00</b>	\$0.00	\$0.00			\$0.00

					<u>Truth in Taxation</u>			
<b>Capped Extension</b>	\$78,400,579.40		\$81,417,573.64	→	<b>Capped Levy</b>	\$81,537,574.00	4.00%	NO
					<b>Levy Amount Above Estimated Extension</b>	\$120,000.36		
<b>SEDOL IMRF Extension</b>	\$0.00		<b>Estimated SEDOL IMRF Levy</b>	\$0.00	<b>SEDOL IMRF Levy</b>	\$0.00		
			<i>(Lake County Only, Included in Truth in Taxation Calculation)</i>					
<b>Bond &amp; Interest Extension</b>	\$14,949,593.82		<b>Estimated Bond and Interest Levy</b>	\$14,833,956.00	<b>Bond &amp; Int. Levy</b>	\$14,833,956.00	-0.77%	←
			<i>(County Clerk Levies Bond &amp; Interest for the District, Verify Records with County Clerk)</i>					
<b>Total Extension</b>	\$93,350,173.22				<b>Total Levy</b>	\$96,371,530.00	3.24%	←

# CERTIFICATE OF TAX LEVY



District Name	District Number	County
Geneva CUSD	304	Kane

## Amount of Levy

Educational	\$ 57,885,823	Fire Prevention & Safety *	\$ 0
Operations & Maintenance	\$ 12,300,000	Tort Immunity	\$ 0
Transportation	\$ 2,372,286	Special Education	\$ 5,728,594
Working Cash	\$ 0	Leasing	\$ 0
Municipal Retirement	\$ 1,469,618		\$ 0
Social Security	\$ 1,781,253	Other	\$ 0
		<b>Total Levy</b>	<b>\$ 81,537,574</b>

\* Includes Fire Prevention, Safety, Energy Conservation, Disabled Accessibility, School Security, and Specified Repair Purposes.

See explanation on reverse side.

Note: Any district proposing to adopt a levy must comply with the provisions set forth in the Truth in Taxation Law.

**We hereby certify that we require:**

the sum of 57,885,823 dollars to be levied as a special tax for educational purposes; and  
the sum of 12,300,000 dollars to be levied as a special tax for operations and maintenance purposes; and  
the sum of 2,372,286 dollars to be levied as a special tax for transportation purposes; and  
the sum of 0 dollars to be levied as a special tax for a working cash fund; and  
the sum of 1,469,618 dollars to be levied as a special tax for municipal retirement purposes; and  
the sum of 1,781,253 dollars to be levied as a special tax for social security purposes; and  
the sum of 0 dollars to be levied as a special tax for fire prevention, safety, energy conservation, disabled accessibility, school security and specified repair purposes; and  
the sum of 0 dollars to be levied as a special tax for tort immunity purposes; and  
the sum of 5,728,594 dollars to be levied as a special tax for special education purposes; and  
the sum of 0 dollars to be levied as a special tax for leasing of educational facilities or computer technology or both, and temporary relocation expense purposes; and  
the sum of 0 dollars to be levied as a special tax for \_\_\_\_\_; and  
the sum of 0 dollars to be levied as a special tax for \_\_\_\_\_  
on the taxable property of our school district for the year 2022

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

# TRUTH IN TAXATION HEARING



- Provides Published Notice
- Allows members of the public to provide comment
- Provides the Board of Education an opportunity to hear and provide input
- Requires the cash reserve balance of all funds be stated during the levy hearing presentation



# PUBLIC ACT 102-0895 DISCLOSURE CASH RESERVE BALANCE



- In compliance with Public Act 102-0895 the District discloses the following cash reserve balances as of 9/30/2022:

10	Education	\$ 46,730,726
20	Operations and Maintenance	\$ 8,204,415
20	Developer Fees	\$ 735,861
30	Debt Service	\$ 11,149,503
40	Transportation	\$ 9,216,900
50	Municipal Retirement	\$ 2,416,151
60	Capital Projects	\$ (1,125,304)
70	Working Cash	\$ 15,002,870
80	Tort Fund	\$ 30,539
90	Fire Prevention and Safety	\$ 1,595,069
	<b>Total Funds 10 to 90</b>	<b>\$ 93,956,729</b>



# NEXT STEPS



Notice of Public Hearing to Adopt the Levy for Tax Year 2022

- December 12, 2022
- Hold a Public Hearing Levy Hearing

Approve the following:

- Truth in Taxation Compliance Resolution
- Certificate of Tax Levy
- Tax Levy Resolution