PROSPECT HEIGHTS DISTRICT 23
FINANCE COMMITTEE
MEMORANDUM

Date: November 3, 2025

Title: Discussion of the DRAFT 2025 Tentative Tax Levies and Resolution for the Proportional Allocation of Taxes

Contact: Amy McPartlin, Assistant Superintendent for Finance & Operations

Background

The Board of Education annually approves a property tax levy that is limited by the following items: Voter approved maximum tax rates, Illinois School Code maximum tax rates, Cook County Property Tax Cap; prior year equalized assessed valuation computation, growth in new property, and the property assessment cap. District 23 must file the adopted property tax levy with the Cook County Clerk's Office no later than the last Tuesday in December each year.

Following review and approval of the tentative levy on November 13th, the Board of Education will authorize the publication of a notice in The Daily Herald regarding the 2025 Proposed Property Tax Levy. This notice will advise the community of the amount of the tax levy increase and the date of the public hearing on the levy. The levy is to then be approved after the hearing at the December 18th Board of Education Meeting. The draft notice of the Truth in Taxation Hearing has been attached.

Administrative Consideration

Administration has worked with our partners at Raymond James and Chapman & Cutler to prepare the DRAFT 2025 Tentative Tax Levy. This document serves as the preliminary estimate of the 2025 Property Tax Levy as required by Illinois State Statutes. Generally speaking, the tax levy sets forth the maximum dollar amount that can be received from property taxation in a given year. In addition to individual rate limits in the Operations & Maintenance, Working Cash and Tort, the tax levy is subject to the limitations of the Property Tax Extension Limitation Legislation (PTELL), otherwise known as the tax cap, and restricts the growth in property tax revenue to the lesser of 5% or the annual change in the U.S. Consumer Price Index (CPI) for the previous calendar year, excluding new property. The 2024 Consumer Price Index had a rate of 2.9%, Therefore, the most we can increase the levy under the tax cap is 2.9%, while also accounting for potential new property.

The levy is filed by fund, but limited in aggregate by the PTELL and excludes the Debt Service Fund. The District's goal is to levy the maximum amount allowable under the specifications of PTELL in order to generate revenues sufficient to meet increasing operating costs. Approved bond and interest levies, along with the value of new property, are exempt from the tax cap.

The Truth in Taxation Act requires the Board of Education to determine a proposed levy amount at least twenty days prior to final adoption of the property tax levy. If the proposed aggregate levy, which excludes the Debt Service levy, exceeds 105% of the prior year aggregate extension, then a public hearing must be held prior to levy adoption. While the 2025 tax levy reflects an increase of less than 5%, the District chooses to hold a Truth in Taxation Hearing and discussion in the name of fiscal transparency.

Recommendation

At this time, we are recommending moving forward with a levy of 4.11%, based on our assumptions of 2.9% CPI (Capped) and $10,000,000 in new construction, taking into account reassessed values and consistent with our past estimates and conversations with realtors and municipalities.

The draft levy has been attached for the Committee's review.