



HINCKLEY-BIG ROCK CUSD #429

Cultivating our future

EXECUTIVE MEMO

TO: HBR Board of Education
FROM: Dr. Jessica Sonntag, Superintendent
DATE: October 16, 2024
SUBJECT: 2024 Proposed Tax Levy

The tax levy is an annual request by the District for property taxes to fund part of the District's operating expenses. I attended a levy workshop hosted by the Illinois School District Liquid Asset Fund (ISDLAF) and PMA earlier this month. During this workshop, using information provided from our 3 county clerk offices, I drafted the proposed 2024 tax levy.

The State of Illinois Property Tax Extension Limitation Law (PTELL) [34 ILCS 200/81] is designed to limit the increases in property tax extension (total tax billed). Although the law is commonly referred to as the "tax cap", use of this phrase can be misleading. The PTELL does not "cap" either individual property tax bills or individual property tax assessments. Instead, the PTELL allows a taxing district to receive a limited inflationary increase in tax extensions equal to CPI on existing property plus an additional amount for new construction, newly annexed areas, amount for new construction, and recovered Tax Increment Financing (TIF) valuations.

The maximum revenue the district can generate for Operating Funds from the 2024 Levy is the current year's CPI growth limited to 5% multiplied by the 2023 Final Tax Extension of plus the estimated Equalized Assessed Value (EAV) of new construction multiplied by the limiting rate. CPI for 2024 was 3.4%

For tax year 2024, I am recommending an operating levy of 5.0%. This includes the 3.4% CPI and 1.6% projected for new growth. The new growth is a guess as the actual new construction for Hinckley-Big Rock will not be known until July 2025. This 5% request will ensure that we receive any new growth tax dollars that come available. Once known, the county clerk will determine the final extension. The district will only get the lesser of the amount requested or CPI + revenue through new construction.