



EXECUTIVE MEMO

TO: HBR Board of Education
FROM: Dr. Jessica Sonntag, Superintendent
DATE: November 19, 2025
SUBJECT: 2025 Tax Levy

Each year, the District must file a tax levy, which is our formal request for local property tax revenue to help fund a portion of our operating expenses. Earlier this month, I attended a tax levy workshop hosted by the Illinois School District Liquid Asset Fund (ISDLAF) and PMA. Using information from our three county clerk offices, I prepared the proposed 2025 tax levy for Hinckley-Big Rock CUSD #429.

Under the State of Illinois Property Tax Extension Limitation Law (PTELL) [35 ILCS 200/18-185], often referred to as the “tax cap,” school districts are limited in how much their total property tax extensions (the total taxes billed to taxpayers) can increase from year to year. While PTELL is sometimes misunderstood, it does not cap individual property tax bills or assessments. Instead, it limits the total increase a district can receive to the Consumer Price Index (CPI) or 5%, whichever is lower, applied to existing property, plus the value of new construction, annexed property, and recovered Tax Increment Financing (TIF) areas.

For the 2025 levy, the CPI is 2.9%. Based on this, the maximum revenue the District could receive for its operating funds is the 2024 final tax extension increased by 2.9% CPI, plus the value of new construction and the recovered TIF area from Kane County. I am recommending an operating levy request of 5.61%, which includes:

- 2.9% for CPI, and
- 2.71% as an estimate for new growth

While this represents a total increase of 5.12% over last year’s extension, the operating tax rate is projected to drop from 4.22 to 3.95. This reduction is possible because of strong growth in the district’s total property value, driven by new development, a recovered TIF, and a 9.81% increase in equalized assessed valuation (EAV).



Truth in Taxation

Because the District's proposed 2025 levy represents an increase of more than 5% (5.12%) over the prior year's extension, a Truth in Taxation hearing is required by law. This public hearing provides taxpayers with an opportunity to learn more about the proposed levy, ask questions, and provide feedback before the Board of Education takes formal action. Notice of the hearing will be published in accordance with state requirements, and the hearing will be held on November 19, 2025, at 6:15 pm before the Board adopts the final levy.

Because the exact value of new construction will not be known until July 2026, this levy amount allows us to capture any new tax revenue that becomes available, including property from the Sugar Grove TIF 1, which expired in 2024 and will return to the tax rolls for the 2025 levy.

Once all data is finalized, the county clerk will calculate the actual tax extension and allocate this lesser amount to the district. By law, the District will receive the lesser of either our requested amount or the total permitted under CPI plus new construction.