Prepared by Dr. Jeffrey Alstadt

2025 Tax Levy Process and Timeline

To provide the Board of Education with a comprehensive overview of the annual property tax levy process, including key terminology, a detailed timeline for discussion and approval, and the district's statutory obligations. The tax levy is the district's single largest source of local revenue and its timely, accurate completion is a primary fiduciary responsibility of the Board.

Background and Information:

The property tax levy is the formal process by which the school district requests the funds it is entitled to from property taxes within the district's boundaries. This process is separate from the budget (our spending plan) and is governed by the Illinois Property Tax Code and the Property Tax Extension Limitation Law (PTELL), also known as the "tax cap."

Key terms to understand:

- **Tax Levy:** The total amount of money a school district certifies it needs to collect through property taxes.
- **Equalized Assessed Valuation (EAV):** The total taxable value of all property within the district's boundaries.
- **Property Tax Extension Limitation Law (PTELL/Tax Cap):** This law limits the increase in tax revenue a district can receive to the lesser of 5% or the Consumer Price Index (CPI) from the prior year.

LaSalle County EAV Update:

The administration has received the official Equalized Assessed Valuation (EAV) projections from the LaSalle County Assessor's office. Using this critical data, we have prepared the draft 2025 tax levy for the Board's review. The following proposal is based directly on these official projections and will guide our discussion for setting the tentative levy.

Process and Timeline:

The tax levy process occurs annually in the fall, following the adoption of the district budget. The timeline is dictated by state law.

- **October – Discussion:** At this month's meeting, we will begin our discussion on the levy. The administration will present preliminary information, including estimated EAV and the most recent CPI data, which are the key factors in determining the levy amount.
- **November – Tentative Levy Approval:** The administration will present a proposed tentative tax levy for the Board's approval at the November board meeting. If this proposed levy is more than 105% of the previous year's extension (the actual amount received), the district is required by the "Truth in Taxation Act" to hold a public hearing. We do not anticipate recommending a levy more than 105%.
- **December – Final Levy Approval:** At the December board meeting, the Board of Education will hold the required public hearing (if applicable) and must formally adopt the final tax levy. The legal deadline for this action is the last Tuesday in December.

Statutory Requirements After Final Approval:

Once the Board of Education has approved the final levy, the district is required by statute to perform the following actions:

1. **File the Certificate of Tax Levy:** The district must file the official, signed Certificate of Tax Levy with the County Clerk's office.
2. **County Clerk Calculation:** The County Clerk will then calculate the district's final tax rate based on the approved levy and the final EAV of the district.
3. **Tax Extension:** The county extends (bills) taxes to property owners based on this calculated rate. These funds will be collected and distributed to the district during the next calendar year.

Administrative Recommendation:

For discussion purposes only at this time. The administration will bring a formal tentative levy to the Board for approval at the November 2025 meeting.