

# 2024 Property Tax Levy



**Millburn School District 24**  
**October 28, 2024**



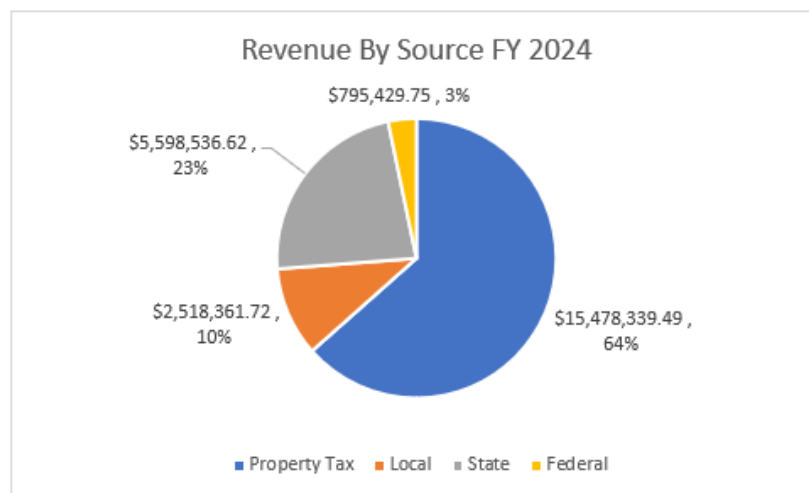
# INTRODUCTION

A **levy** is the amount of property tax revenue a district requests from taxpayers to cover the majority of annual expenditures. The District determines the levy annually.

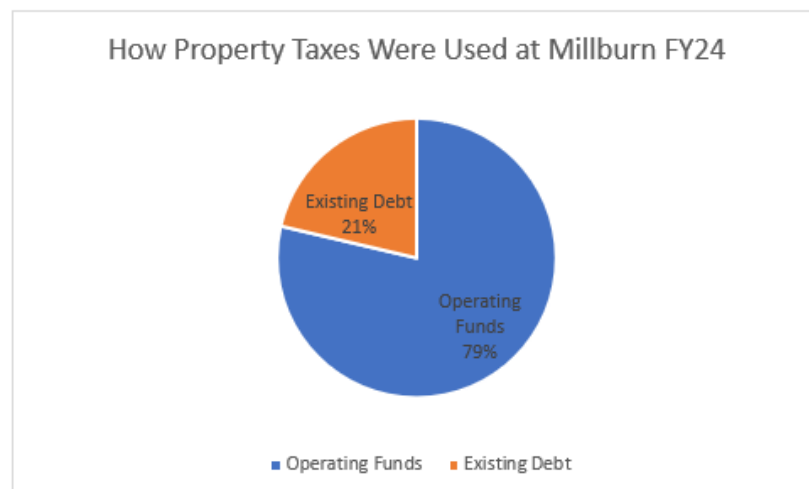
## THE IMPORTANCE OF THE PROPERTY TAX LEVY

Property tax revenue is the main funding source for Millburn District 24. On average, about 65% of a public school's revenue come from property taxes.<sup>1</sup>

Last year, property taxes made up 64% of our District's total revenue.



## HOW PROPERTY TAXES ARE USED



<sup>1</sup> <https://www.illinoisreportcard.com/State.aspx?source=environment&source2=revenuepercentages>

## Cash Balance Comparison

### Cash Balances

Fund	5/31/2024	6/30/2024	9/30/2024
Education	\$ 6,523,126.20	\$ 9,809,536.00	\$ 11,132,469.50
Operations & Maintenance	\$ 901,007.44	\$ 1,453,567.56	\$ 1,680,127.16
Debt Service	\$ 505,132.54	\$ 456,441.49	\$ 462,135.99
Transportation	\$ 356,615.68	\$ 807,484.98	\$ 370,820.21
IMRF & SS	\$ 279,548.14	\$ 521,345.21	\$ 659,059.96
Capital Projects	\$ 629,864.25	\$ 845,749.03	\$ 900,800.12
Working Cash	\$ 817,958.66	\$ 808,896.62	\$ 848,375.48
Tort	\$ 57,974.54	\$ 108,925.38	\$ 61,643.25
Fire Prevention & Safety	\$ 248,185.32	\$ 248,331.52	\$ 247,171.56
<b>Total</b>	<b>\$ 10,319,412.77</b>	<b>\$ 15,060,277.79</b>	<b>\$ 16,362,603.23</b>

Districts are required to display cash balance data throughout the year. The above table shows the ending cash balance in each fund, between May 2024 and September 2024. School districts start to receive property tax revenue in June and continue receiving disbursements through the fall. This is why the above table depicts significant growth in June and September.

## Property Tax Levy Process

Millburn follows the below calendar for the tax levy process.

2024 Tax Levy Calendar		
Task	Date Due	Owner
Develop 2024 Truth in Taxation Notice* if needed		Business Office
<p>First reading of the 2024pay2025 Tax Levy for FY 2026</p> <p>Estimated property tax levy must be presented to the Board at least 20 days prior to the adoption of the property tax levy, 35 ILCS 200/18-60</p>	October 28, 2024	Business Office /Board of Education
Approval for publication of the "Truth in Taxation Statement" if needed	November 11, 2024	Board of Education
<p>Post the Truth in Taxation Notice of Public Hearing to district website, if needed.</p> <p>Post to district website near the top of the site's homepage or on a page accessible through a direct link from the homepage, for a period of not less than 30 consecutive days prior to the public hearing. (35 ILCS 200/18-55)</p>	November 13, 2024	Business Office
<p>Publish Truth in Taxation Notice of Public Hearing if needed</p> <p>Published no more than 14 days nor less than 7 days prior to the date of the hearing, 35 ILCS 200/18-80. (Between December 2, 2024 and December 9, 2024)</p>	December 3, 2024	Business Office
<p>Board of Education Meeting</p> <ul style="list-style-type: none"> <li>• Hold 2024 Truth in Taxation Hearing</li> <li>• Adoption of 2024 Tax Levy</li> </ul>	December 16, 2024	Board of Education
<p>Certificate of Tax Levy (ISBE 50-02) must be filed with county clerk on or before last Tuesday in December (105 ILCS 5/17-11 and 35 ILCS 200/18-15)</p> <p>Last Tuesday is December 31, 2024 - County Clerk's Office Closed 12/24/24 and 12/25/24</p>	After 12/16/24, but no later than 12/31/24	Business Office

\*Truth in Taxation is required if a district intends to levy more than 105 percent of the previous year's tax extension.

## Property Tax Levy Terms

**Levy:** amount of property tax revenue a district requests from taxpayers to cover the majority of annual expenditures

**Extension:** the amount the county puts on tax bills and the district receives. It is product of the Equalized Assessed Value (EAV) multiplied by the tax-capped tax rate.

The county adjusts the district's levy to take into consideration any taxes that will be delayed or not collected. The district receives this revenue in June and September payments.

**Truth in Taxation Hearing:** required public hearing if a district intends to levy more than 105 percent of the previous year's tax extension

**Fund:** grouping of the budget for specific objectives and/or activities

- The Operations/Maintenance, Working Cash, Special Ed, and Life Safety funds have maximum tax rates set by the state
- Taxes are extended by fund with each fund having its own tax rate



## Property Tax Levy Components

The tax levy takes the following components into consideration:

- Equalized Assessed Value (EAV)
- Consumer Price Index-All Urban Consumers (CPI-U)
- Property Tax Extension Limitation Law (PTELL)
- New Construction
- The previous year's tax extension for all funds except bond & interest

**Equalized Assessed Value (EAV):** taxable value of property within the District after county and state equalization.

- Property is assessed at 1/3 of market value

**Consumer Price Index:** Measure in annual average change in prices of a basket of goods.

- With the exception of new property, the tax levy is limited to the lesser of the CPI-U increase from December 2022 to December 2023 and 5%.
- The CPI-U increase from December 2022 to December 2023 was 3.4%. For this year's levy, the CPI-U increase is 3.4%.

<https://www.bls.gov/news.release/cpi.t05.htm>

**Property Tax Extension Limitation Law (PTELL):** Lake County is a "PTELL" or tax-capped county, limiting the extension increase to the lesser of 5% or the increase in CPI-U. The tax rate used for calculating the district's property tax levy is limited, using the below formula.

- Does not pertain Debt Fund or Special Education of Lake County IMRF. The Debt Fund is set according to the established schedule of principal and interest payments and SEDOL provides us with the amount we owe them for the SEDOL IMRF contribution.

$$\frac{\text{Prior Year's Capped Funds Extension} \times (1 + \text{CPI-U})}{(\text{EAV} - \text{New Construction})} = \text{Limiting Tax Rate}$$

**New Construction:** changes that increase the assessed value of the property (e.g., home additions, new commercial construction, property exempt in prior levy year but reclassified as non-exempt)

# Estimated Property Tax Calculation Based on CPI

STEP 1 - INFORMATION		
1	ESTIMATED 2024 EAV	\$ 316,648,169.00
2	ESTIMATED 2024 NEW CONSTRUCTION	\$ 2,285,432.00
3	2023pay2024 PTELL Capped Levy	\$ 13,382,989.57
4	<b>DEC 2023 CPI<sup>2</sup> INCREASE (Lesser of CPI and 5%)</b>	<b>3.40%</b>
STEP 2 - AMOUNT LEVY CAN INCREASE		
5	Prior Year 2023pay2024 PTELL Capped Levy (3)	\$ 13,382,989.57
6	Multiply times the Lesser of Dec 2023 CPI and 5% (4)	3.40%
7	<b>Amount Levy Can Increase (5 X 6)</b>	<b>\$ 455,021.65</b>
STEP 3 - TOTAL CAPPED LEVY WITHOUT NEW CONSTRUCTION		
8	2023pay2024 PTELL Capped Levy	\$ 13,382,989.57
9	Plus Amount Levy Can Increase (7)	\$ 455,021.65
10	<b>TOTAL 2024pay2025 LEVY WITHOUT NEW CONSTRUCTION</b>	<b>\$ 13,838,011.22</b>
STEP 4 - NEW CAPPED TAX RATE (LIMITING RATE)		
11	Estimated 2024 EAV less New Construction (1-2)	\$ 314,362,737
12	Divided by 100 to get the EAV per \$100 of Assessed Value	\$ 3,143,627.37
13	Total Levy without New Construction (10)	\$ 13,838,011.22
14	<b>NEW PTELL CAPPED TAX RATE = TOTAL LEVY/EAV (10/12)</b>	<b>4.40<sup>3</sup></b>
STEP 5 - LEVY GENERATED BY NEW CONSTRUCTION		
15	ESTIMATED 2024 NEW CONSTRUCTION (2)	\$ 2,285,432.00
16	Divided by 100 to get the EAV per \$100 of Assessed Value	\$ 22,854.32
17	New PTELL Capped Tax Rate (14)	\$ 4.40
18	<b>Property Tax Levy for New Construction: Tax Rate times EAV per \$100 Assessed Value = Property Tax Authority (17 * 16)</b>	<b>\$ 100,603.00</b>
AMOUNT LEVY CAN INCREASE BASED ON CURRENT ESTIMATE OF AV		
19	Est Levy without New Construction (10)	\$ 13,838,011.22
20	Amount Levy can Increase as a Result of New Construction (18)	\$ 100,603.00
21	<b>TOTAL ESTIMATED PTELL CAPPED FUNDS PROPERTY TAX LEVY</b>	<b>\$ 13,938,614.21</b>
22	<b>ESTIMATED INCREASE IN CAPPED LEVY</b>	<b>\$ 555,624.64</b>
23	<b>ESTIMATED PERCENT INCREASE IN CAPPED LEVY</b>	<b>4.15%</b>

<sup>2</sup> December 2023 CPI-U: 3.4%

<sup>3</sup> The total limiting tax rate for all operating funds. This rate determines the Total Estimated PTELL Capped Funds levy (row 21). The district must distribute this proposed capped levy across the operating funds.

# Anticipated Levy

The next two pages provide the anticipated levy and ballooned levy based off the above estimated property tax calculation. Ballooning the levy allows the district to account for unknown EAV and new property. The dark yellow tax cap column shows the statutory tax caps for the O&M, Working Cash, Special Education, and Life Safety funds. This is a different cap from PTELL.

<b>ANTICIPATED 2024 PAY 2025 FOR FY2026 BUDGET</b>						
CURRENT 2023pay2024 LEVY	CURRENT RATE	FUND	EST LEVY 2024 pay 2025	% INCREASE	RATE BASED ON COUNTY ESTIMATE OF 2024 EAV	TAX CAP
\$ 9,412,631.37	3.427131	EDUCATION	\$ 9,803,417.74	4.15%	3.0960	NO CAP
\$ 1,488,281.46	0.541882	OPERATION & MAINTENANCE	\$ 1,550,070.78	4.15%	0.4895	0.550
\$ 750,001.77	0.273075	TRANSPORTATION	\$ 781,139.77	4.15%	0.2467	NO CAP
\$ 65,495.90	0.023847	WORKING CASH	\$ 68,215.11	4.15%	0.0215	0.050
\$ 916,030.73	0.333526	SPECIAL EDUCATION	\$ 954,061.79	4.15%	0.3013	0.400
\$ 112,414.44	0.040930	TORT	\$ 117,081.58	4.15%	0.0370	NO CAP
\$ -	-	LIFE SAFETY	\$ -	0.00%	0.0000	0.100
\$ 329,360.85	0.119920	SOCIAL SECURITY	\$ 343,035.00	4.15%	0.1083	NO CAP
\$ 308,773.05	0.112424	IMRF	\$ 321,592.45	4.15%	0.1016	NO CAP
<b>\$ 13,382,989.57</b>	<b>4.872735</b>	<b>SUB-TOTAL</b>	<b>\$ 13,938,614.22</b>	<b>4.15%</b>	<b>4.4019</b>	
\$ -		BOND & INTEREST	\$ -	N/A	0.0000	
\$ 4,897.02	0.001783	SEDOL IMRF	\$ 4,943.00	0.94%	0.0016	
<b>\$ 4,897.02</b>	<b>0.001783</b>	<b>SUB-TOTAL</b>	<b>\$ 4,943.00</b>	<b>0.94%</b>	<b>0.0016</b>	
<b>13,387,886.59</b>	<b>4.874518</b>	<b>Grand Total Levy</b>	<b>\$ 13,943,557.22</b>	<b>4.15%</b>	<b>4.4035</b>	
		EAV	POTENTIAL RATE (PTELL LIMITING RATE)	\$ GENERATED	% INCREASE IN EAV	
IF USE CURRENT EAV		\$ 274,650,469.00	5.0750	\$ 13,938,614.22		
IF USE COUNTY ESTIMATE		\$ 316,648,169.00	4.4019	\$ 13,938,614.22	15.29%	
<b>Increase from New Construction</b>		\$ 2,285,432.00	4.4019	\$ 100,603.00		



## Ballooned Levy & Recommendation

Dr. Lind and I are recommending the board approve the first reading of a levy that increases more than 5% (6.21%). This means the board will need to advertise and hold a Truth in Taxation Hearing. The recommended levy gives an approximate \$275,000 cushion in case something unforeseen were to occur regarding EAV and/or new property EAV.

<b>RECOMMENDED LEVY 2024 PAY 2025 W/BALLOON</b>							
CURRENT 2024pay2025 LEVY	CURRENT RATE	FUND	RECOMMENDED 2024 LEVY INC NEW CONSTRUCTION	% INCREASE	RATE BASED ON COUNTY EAV USING RECOMMENDED 2024 LEVY INCLUDING NEW CONSTRUCTION	TAX CAP	INCREASE / DECREASE FROM ANTICIPATED
\$ 9,412,631.37	3.427131	EDUCATION	\$ 9,979,700.00	6.02%	3.1517	NO CAP	\$ 176,282.26
\$ 1,488,281.46	0.541882	BUILDING	\$ 1,574,000.00	5.76%	0.4971	0.550	\$ 23,929.22
\$ 750,001.77	0.273075	TRANSPORTATION	\$ 780,000.00	4.00%	0.2463	NO CAP	\$ (1,139.77)
\$ 65,495.90	0.023847	WORKING CASH	\$ 65,000.00	-0.76%	0.0205	0.050	\$ (3,215.11)
\$ 916,030.73	0.333526	SPECIAL EDUCATION	\$ 970,000.00	5.89%	0.3063	0.400	\$ 15,938.21
\$ 112,414.44	0.04093	TORT	\$ 95,000.00	-15.49%	0.0300	NO CAP	\$ (22,081.58)
\$ -	0	LIFE SAFETY	\$ -	0.00%	0.0000	0.100	\$ -
\$ 329,360.85	0.11992	SOCIAL SECURITY	\$ 380,000.00	15.37%	0.1200	NO CAP	\$ 36,965.00
\$ 308,773.05	0.112424	IMRF	\$ 370,000.00	19.83%	0.1168	NO CAP	\$ 48,407.55
<b>\$ 13,382,989.57</b>	<b>4.872735</b>	<b>SUB-TOTAL</b>	<b>\$ 14,213,700.00</b>	<b>6.21%</b>	<b>4.4888</b>		<b>\$ 275,085.78</b>
\$ -	0	BOND & INTEREST	\$ -	N/A	0.0000		\$ -
\$ 4,897.02	0.001783	SEDOL IMRF	\$ 4,943.00	0.94%	0.0016		\$ -
<b>\$ 4,897.02</b>	<b>0.001783</b>	<b>SUB-TOTAL</b>	<b>\$ 4,943.00</b>	<b>0.94%</b>	<b>0.0016</b>		<b>\$ -</b>
<b>13,387,886.59</b>	<b>4.874518</b>	<b>Grand Total Levy</b>	<b>\$ 14,218,643.00</b>	<b>6.21%</b>	<b>4.4904</b>		<b>275,085.78</b>

## Anticipated Property Tax Calculation Example

### 2023 Tax Levy Paid in 2024

Home Value 2023: \$324,000

Formula to determine property tax payment for operating funds to District:

$$\begin{aligned} & (\text{Home Value}/3) * \text{Tax Cap Rate} \\ & (*\$324,000/3) * .04873^4 = \$5,262.84 \end{aligned}$$

Formula to determine property tax payment for Debt and SEDOL IMRF:

$$\begin{aligned} & (\text{Home Value}/3) * \text{Tax Cap Rate} \\ & (*\$324,000/3) * .000018 = \$2 \end{aligned}$$

Total Property Tax Payment = \$5,264.84

### 2024 Tax Levey Paid in 2025

Home Value 2023 (Assumes an 15% Increase): \$372,600

Formula to determine property tax payment for operating funds to District:

$$\begin{aligned} & (\text{Home Value}/3) * \text{Tax Cap Rate} \\ & (*\$372,600/3) * .0440^5 = \$5,464.80 \end{aligned}$$

Formula to determine property tax payment for Debt and SEDOL IMRF:

$$\begin{aligned} & (\text{Home Value}/3) * \text{Tax Cap Rate} \\ & (*\$372,600/3) * .000016 = \$2 \end{aligned}$$

Total Property Tax Payment = \$5,466.80

In this example, the homeowner would see an estimated increase of \$202 in their property tax payment.

<sup>4</sup> Refer to page 8 for rates. 4.873% was calculated by dividing the Current 2023 pay 2024 Levy (\$13,382,989.57) by the Current EAV (\$274,650,469). .0018% was calculated by dividing the Current 2023 pay 2024 Bond and SEDOL IMRF Levy (\$4,897.02) by the Current EAV (\$274,650,469).

<sup>5</sup> Refer to page 8 for rates. 4.4% was calculated by dividing the Est Levy 2024 pay 2025 (\$13,938,614.22) by the County Estimate EAV (\$316,648,169). 0.0016% was calculated by dividing the Est Levy 2024 pay 2025 Bond and SEDOL IMRF Levy (\$4,943) by the County Estimate EAV (\$316,648,169).

## Next Steps

- ❖ Approval for posting the Truth in Taxation Notice of Public Hearing to district website on 11/11/2024 and publishing the Truth in Taxation Notice of Public Hearing between 12/2/2024 and 12/9/2024.
- ❖ Publish the Truth in Taxation Notice of Public Hearing between 12/2/2024 and 12/9/2024
- ❖ Hold 2024 Truth in Taxation Hearing and Adopt the 2024 Property Tax Levy at the December 16, 2024 Board Meeting
- ❖ File the Certificate of Tax Levy with the County Clerk between December 17, 2024 and December 31, 2024