

Property Tax Levy Process

Tax Levy Discussion

Millburn School District 24

October 14, 2014

Why are my taxes going up
when my property value is
going down?

PTELL - Property Tax Cap

Property Tax Extension Limitation Law (PTELL)

- 1991 Tax Year – 1st year of implementation of PTELL in DuPage, Kane, Lake, McHenry, and Will Counties
 - It now includes 39 counties representing 53% of Illinois School Districts

PTELL

- Ties growth of the Property Tax Levy (the amount of taxes the district is eligible to receive) to the Urban Consumer Price Index (CPI-U)
- This limits the amount of money a school district can receive in property taxes.
- Property taxes are no longer driven by property values.

PTELL

- If the EAV decreases, the rate goes up.
- If the EAV increases, the rate goes down.
- Unfortunately, there is also a statutory rate cap in Illinois for four major school funds.

Property Tax Rate Cap

- In addition to the PTELL Cap on the property tax levy (the total property tax \$ you can receive), there is also a rate cap set by statute.
- The rate cap is as follows:

EDUCATION	3.500
BUILDING	0.550
TRANSPORTATION	NO CAP
WORKING CASH	0.050
SPECIAL EDUCATION	0.400
TORT	NO CAP
LIFE SAFETY BOND	NO CAP
SOCIAL SECURITY	NO CAP
IMRF	NO CAP

Property Tax Rate Cap Continued

- Once you are at the maximum rate, you are capped from increasing the levy in that fund even if allowed by the PTELL cap.

Calculating the Property Tax Levy

- In order to calculate the Property Tax Levy under PTELL, we will need:
 - Equalized Assessed Value for Calendar Year 2014 – Available in March/April 2015.
 - The Levy Extension for Capped Funds paid to the district in Calendar Year 2016
 - Estimated New Construction
 - Consumer Price Index

Assessed Value as of 10/09/14 from the Lake County Assessor

Total Estimated Taxable AV: 204,317,460

New Property: **670,176**

AV LESS NEW PROPERTY 203,647,284

Property Tax Calculation Based on CPI

STEP 1 - INFORMATION		
1	ESTIMATED 2014 EAV	\$ 203,647,284.00
2	ESTIMATED 2014 NEW CONSTRUCTION	\$ 670,176.00
3	2013pay2014 PTELL Capped Levy	\$ 10,300,552.63
4	CPI	1.50%

STEP 2 - AMOUNT LEVY CAN INCREASE		
5	2013pay2014 PTELL Capped Levy (3)	\$ 10,300,552.63
6	Multiply times the CPI (4)	0.015
7	Amount Levy Can Increase (5 X 6)	\$ 154,508.29

STEP 3 - TOTAL CAPPED LEVY WITHOUT NEW CONSTRUCTION		
8	2013pay2014 PTELL Capped Levy (3)	\$ 10,300,552.63
9	Plus Amount Levy Can Increase (7)	\$ 154,508.29
10	TOTAL WITHOUT NEW CONSTRUCTION	\$ 10,455,060.92

STEP 4 - NEW CAPPED TAX RATE		
11	ESTIMATED 2014 EAV (1)	\$ 203,647,284.00
12	Divided by 100 to get the EAV per \$100 of Assessed Value	\$ 2,036,472.84
13	Total Levy without New Construction (10)	\$ 10,455,060.92
14	NEW PTELL CAPPED TAX RATE = TOTAL LEVY/EAV (10/12)	\$ 5.13

Property Tax Calculation Based on CPI Continued

STEP 5 - LEVY GENERATED BY NEW CONSTRUCTION		
15	ESTIMATED 2014 NEW CONSTRUCTION (2)	\$ 670,176.00
16	Divided by 100 to get the EAV per \$100 of Assessed Value	\$ 6,701.76
17	New PTELL Capped Tax Rate (14)	\$ 5.13
18	Property Tax Levy for New Construction: Tax Rate times EAV per \$100 Assessed Value = Property Tax Authority (17 * 16)	\$ 34,406.21

AMOUNT LEVY CAN INCREASE BASED ON CURRENT ESTIMATE OF AV		
19	Levy without New Construction (10)	\$ 10,455,060.92
20	Amount Levy can Increase as a Result of New Construction (18)	\$ 34,406.21
21	TOTAL ESTIMATED PTELL CAPPED FUNDS PROPERTY TAX LEVY	\$ 10,489,467.13

Anticipated Levy before New Construction

EST (ANTICIPATED) 2014 PAY 2015						
CURRENT 2013pay2014 LEVY	CURRENT RATE	FUND	ANTICIPATED LEVY	% INCREASE	RATE BASED ON COUNTY ESTIMATE w/4.2% drop in EAV	TAX CAP
					NOT INC NEW CONST	
\$ 7,205,710.57	3.390	EDUCATION	7,125,000	-1.12%	3.4987	3.500
\$ 1,152,063.46	0.542	BUILDING	1,120,000	-2.78%	0.5500	0.550
\$ 480,380.70	0.226	TRANSPORTATION	538,161	12.03%	0.2643	NO CAP
\$ 104,153.34	0.049	WORKING CASH	101,900	-2.16%	0.0500	0.050
\$ 601,538.67	0.283	SPECIAL EDUCATION	810,000	34.65%	0.3977	0.400
\$ 159,418.38	0.075	TORT	175,000	9.77%	0.0859	NO CAP
		LIFE SAFETY BOND				NO CAP
\$ 308,208.86	0.145	SOCIAL SECURITY	275,000	-10.77%	0.1350	NO CAP
\$ 289,078.65	0.136	IMRF	310,000	7.24%	0.1522	NO CAP
\$ 10,300,552.63	4.846	SUB-TOTAL	10,455,060.92	1.50%	\$ 5.1339	
		NEW CONSTRUCTION	34,406.21			
					INC NEW CONST	
\$ 2,363,643.11	1.112	BOND & INTEREST	\$2,647,210	12.00%	1.2956	NO CAP
\$ 19,130.21	0.009	SEDOL IMRF	\$15,088	-21.13%	0.0074	NO CAP
\$ 2,382,773.32	1.121	SUB-TOTAL	\$2,662,298	11.73%	\$1.3030	
12,683,325.95	5.967	Grand Total Levy	13,151,765	3.69%	\$ 6.4369	
		EAV	POTENTIAL RATE:	\$ GENERATED		
CURRENT EAV		212,557,834	4.9187	\$ 10,455,060.92		
COUNTY ESTIMATE		203,647,284	5.1339	\$ 10,455,060.92		
10% Drop in EAV		191,302,051	5.4652	\$ 10,455,060.92		
Increase from New Constuction		670,176	5.1339	\$ 34,406.21		
If New Const were		1,000,000	5.1339	\$ 51,339.06		

Recommended Levy to Advertise

RECOMMENDED LEVY 2014 PAY 2015 W/BALLOON							
CURRENT 2013pay2014 LEVY	CURRENT RATE	FUND	RECOMMENDED 2014 LEVY INCLUDING NEW CONSTRUCTION	% INCREASE	RATE BASED ON COUNTY ESTIMATE w/4.2% drop in EAV	TAX CAP	INCREASE FROM ANTICIPATED
\$ 7,205,710.57	3.390	EDUCATION	7,250,000	0.61%	3.5601	3.500	\$ 125,000.00
\$ 1,152,063.46	0.542	BUILDING	1,200,000	4.16%	0.5893	0.550	\$ 80,000.00
\$ 480,380.70	0.226	TRANSPORTATION	700,000	45.72%	0.3437	NO CAP	\$ 161,839.08
\$ 104,153.34	0.049	WORKING CASH	105,000	0.81%	0.0516	0.050	\$ 3,100.00
\$ 601,538.67	0.283	SPECIAL EDUCATION	825,000	37.15%	0.4051	0.400	\$ 15,000.00
\$ 159,418.38	0.075	TORT	225,000	41.14%	0.1105	NO CAP	\$ 50,000.00
		LIFE SAFETY BOND	0		0.0000	NO CAP	\$ -
\$ 308,208.86	0.145	SOCIAL SECURITY	313,000	1.55%	0.1537	NO CAP	\$ 38,000.00
\$ 289,078.65	0.136	IMRF	345,000	19.34%	0.1694	NO CAP	\$ 35,000.00
\$ 10,300,552.63	4.846	SUB-TOTAL	10,963,000.00	6.43%	\$ 5.3833		\$ 507,939.08
\$ 2,363,643.11	1.112	BOND & INTEREST	\$2,650,000	12.12%	1.3013		\$ 2,790.00
\$ 19,130.21	0.009	SEDOL IMRF	\$15,088	-21.13%	0.0074		\$ -
\$ 2,382,773.32	1.121	SUB-TOTAL	\$2,665,088	11.85%	\$1.3087		\$ 2,790.00
12,683,325.95	5.967	Grand Total Levy	13,628,088	7.45%	\$ 6.6920		510,729.08

QUESTIONS