

Property Tax Levy Process

Tax Levy Discussion

Millburn School District 24

October 13, 2015

TAX LEVY BUDGET CALENDAR

OCTOBER	
• Develop 2015 Truth in Taxation Notice	Business Office
• First reading of the 2015pay2016 Tax Levy - October 26, 2015	Board of Education
• Approval for publication of the "Truth in Taxation Statement" - October 26, 2015 (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)	Board of Education
NOVEMBER	
• Publish Truth in Taxation Notice of Public Hearing (Published no more than 14 days nor less than 7 days prior to the date of the hearing, 35 ILCS 200/18-80) (between 11-9-15 & 11-16-15)	Business Office
Board of Education Meeting - November 23, 2015 • Hold 2015 Truth in Taxation Hearing • Adoption of 2015 Tax Levy	Board of Education
DECEMBER	
• Certificate of Tax Levy (ISBE 50-02) must be filed with county clerk on or before the last Tuesday in December (105 ILCS 5/17-11 and 35 ILCS 200/18-15. NOTE: Last Tuesday is December 29, 2015)	Business Office

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 in PTELL districts.

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

Calculating the Property Tax Levy

- In order to calculate the Property Tax Levy under PTELL, we will need:
 - Equalized Assessed Value for Calendar Year 2015 – Available in March/April 2016.
 - The multiplier used by the county (assume = 1)
 - Estimated New Construction
 - Consumer Price Index

Assessed Value as of 9/25/14 from the Lake County Assessor

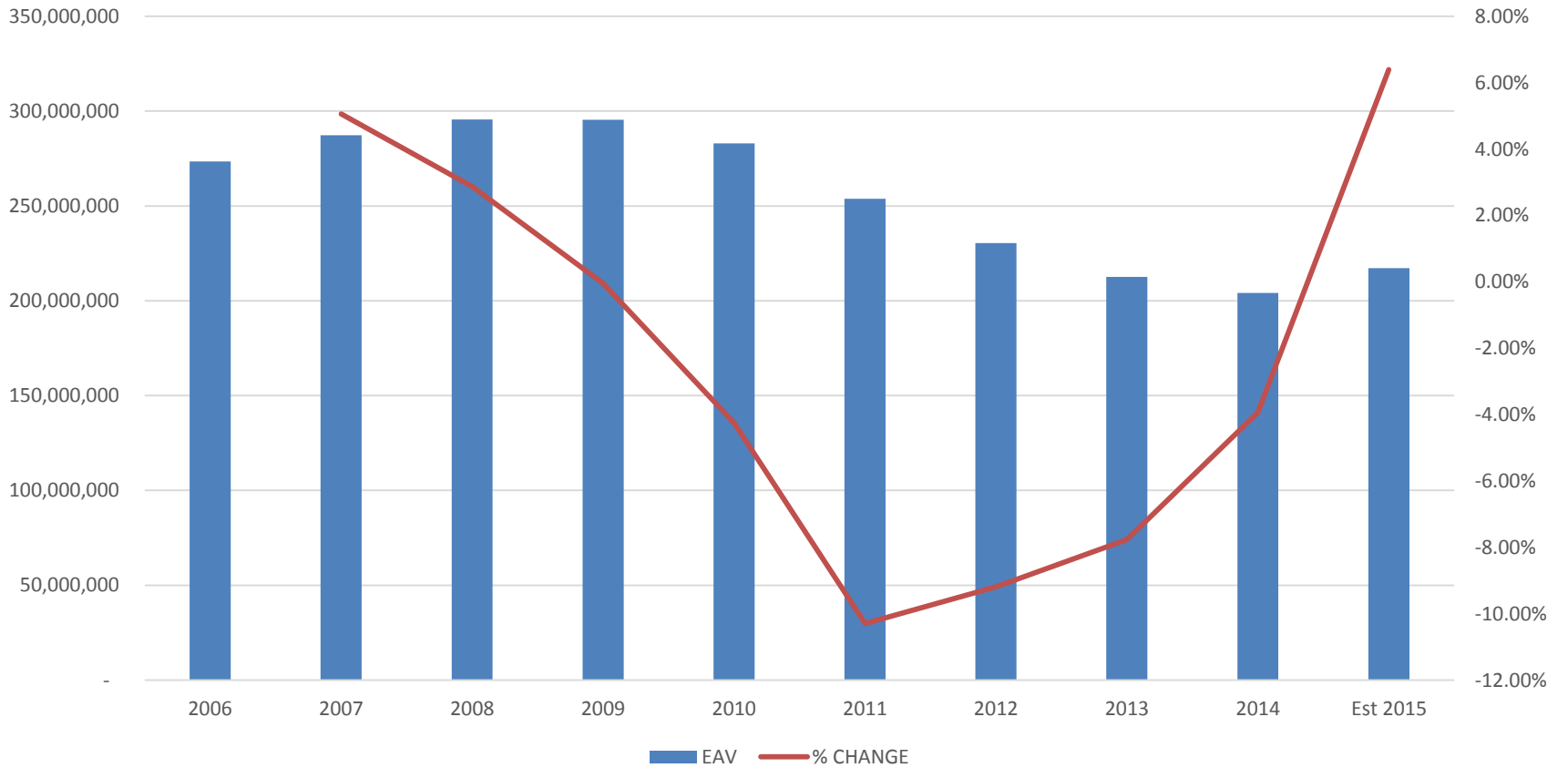
Total Estimated Taxable AV: \$217,255,986

New Property: **\$653,883**

AV LESS NEW PROPERTY \$216,602,103

Historical EAV

EAV CHANGE



Property Tax Calculation Based on CPI

STEP 1 - INFORMATION		
1	ESTIMATED 2015 EAV	\$ 216,602,103.00
2	ESTIMATED 2015 NEW CONSTRUCTION	\$ 653,883.00
3	2014pay2015 PTELL Capped Levy	\$ 10,490,122.10
4	CPI	0.80%

STEP 2 - AMOUNT LEVY CAN INCREASE		
5	2014pay2015 PTELL Capped Levy (3)	\$ 10,490,122.10
6	Multiply times the CPI (4)	0.008
7	Amount Levy Can Increase (5 X 6)	\$ 83,920.98

STEP 3 - TOTAL CAPPED LEVY WITHOUT NEW CONSTRUCTION		
8	2014pay2015 PTELL Capped Levy (3)	\$ 10,490,122.10
9	Plus Amount Levy Can Increase (7)	\$ 83,920.98
10	TOTAL WITHOUT NEW CONSTRUCTION	\$ 10,574,043.08

STEP 4 - NEW CAPPED TAX RATE		
11	ESTIMATED 2015 EAV (1)	\$ 216,602,103.00
12	Divided by 100 to get the EAV per \$100 of Assessed Value	\$ 2,166,021.03
13	Total Levy without New Construction (10)	\$ 10,574,043.08
14	NEW PTELL CAPPED TAX RATE = TOTAL LEVY/EAV (10/12)	\$ 4.88

Property Tax Calculation Based on CPI Continued

STEP 5 - LEVY GENERATED BY NEW CONSTRUCTION		
15	ESTIMATED 2015 NEW CONSTRUCTION (2)	\$ 653,883.00
16	Divided by 100 to get the EAV per \$100 of Assessed Value	\$ 6,538.83
17	New PTELL Capped Tax Rate (14)	\$ 4.88
18	Property Tax Levy for New Construction: Tax Rate times EAV per \$100 Assessed Value = Property Tax Authority (17 * 16)	\$ 31,921.14
AMOUNT LEVY CAN INCREASE BASED ON CURRENT ESTIMATE OF AV		
19	Est Levy without New Construction (10)	\$ 10,574,043.08
20	Amount Levy can Increase as a Result of New Construction (18)	\$ 31,921.14
21	TOTAL ESTIMATED PTELL CAPPED FUNDS PROPERTY TAX LEVY	\$ 10,605,964.22
22	ESTIMATED INCREASE IN LEVY	\$ 115,842.12

Anticipated 2015pay2016 Property Tax Levy

ANTICIPATED 2015 PAY 2016 FOR FY2017 BUDGET						
CURRENT 2014pay2015 LEVY	CURRENT RATE	FUND	EST LEVY 2015 pay 2016	% INCREASE	RATE BASED ON COUNTY ESTIMATE OF 2015 EAV	TAX CAP
\$ 7,146,825.07	3.500000	EDUCATION	7,307,965	2.25%	3.3638	3.500
\$ 1,123,072.51	0.550000	OPERATION & MAINTENANCE	1,155,000	2.84%	0.5316	0.550
\$ 542,290.88	0.265575	TRANSPORTATION	350,000	-35.46%	0.1611	NO CAP
\$ 102,097.50	0.050000	WORKING CASH	108,000	5.78%	0.0497	0.050
\$ 816,780.01	0.400000	SPECIAL EDUCATION	850,000	4.07%	0.3912	0.400
\$ 174,564.27	0.085489	TORT	175,000	0.25%	0.0806	NO CAP
\$ -	-	LIFE SAFETY BOND	65,000		0.0299	NO CAP
\$ 274,203.26	0.134285	SOCIAL SECURITY	275,000	0.29%	0.1266	NO CAP
\$ 310,288.60	0.151957	IMRF	320,000	3.13%	0.1473	NO CAP
\$ 10,490,122.10	5.137306	SUB-TOTAL	10,605,965.00	1.10%	\$ 4.8818	
\$ 2,647,210.55	1.296413	BOND & INTEREST	\$2,995,660	13.16%	1.3789	
\$ 15,090.01	0.007390	SEDOL IMRF	\$16,491	9.28%	0.0076	
\$ 2,662,300.56	1.303803	SUB-TOTAL	\$3,012,151	13.14%	\$1.3865	
13,152,422.66	6.441109	Grand Total Levy	13,618,116	3.54%	\$ 6.2682	
		EAV	POTENTIAL RATE:	\$ GENERATED	% INCREASE IN EAV	
IF USE CURRENT EAV		204,195,002	5.1940	\$ 10,605,965.00		
IF USE COUNTY ESTIMATE		217,255,986	4.8818	\$ 10,605,965.00	6.40%	
Increase from New Constuction		653,883	4.8818	\$ 31,921.15		

Recommended Levy 2015 pay 2016 w/Balloon

RECOMMENDED LEVY 2015 PAY 2016 W/BALLOON							
CURRENT 2014 pay 2015 LEVY	CURRENT RATE	FUND	RECOMMENDED 2015 LEVY INC NEW CONSTRUCTION	% INCREASE	RATE BASED ON COUNTY ESTIMATE W/6.4% INC IN EAV	TAX CAP	INCREASE FROM ANTICIPATED
\$ 7,146,825.07	3.390	EDUCATION	7,400,000	3.54%	3.4061	3.500	\$ 92,035.00
\$ 1,123,072.51	0.542	BUILDING	1,200,000	6.85%	0.5523	0.550	\$ 45,000.00
\$ 542,290.88	0.226	TRANSPORTATION	450,000	-17.02%	0.2071	NO CAP	\$ 100,000.00
\$ 102,097.50	0.049	WORKING CASH	115,000	12.64%	0.0529	0.050	\$ 7,000.00
\$ 816,780.01	0.283	SPECIAL EDUCATION	875,000	7.13%	0.4028	0.400	\$ 25,000.00
\$ 174,564.27	0.075	TORT	200,000	14.57%	0.0921	NO CAP	\$ 25,000.00
\$ -		LIFE SAFETY BOND	100,000		0.0460	NO CAP	\$ -
\$ 274,203.26	0.145	SOCIAL SECURITY	300,000	9.41%	0.1381	NO CAP	\$ 25,000.00
\$ 310,288.60	0.136	IMRF	350,000	12.80%	0.1611	NO CAP	\$ 30,000.00
\$ 10,490,122.10	4.846	SUB-TOTAL	10,990,000.00	4.77%	\$ 5.0585		\$ 349,035.00
\$ 2,647,210.55	1.112	BOND & INTEREST	\$2,995,660	13.16%	1.3789		\$ -
\$ 15,090.01	0.009	SEDOL IMRF	\$16,491	9.28%	0.0076		\$ -
\$ 2,662,300.56	1.121	SUB-TOTAL	\$3,012,151	13.14%	\$1.3865		\$ -
13,152,422.66	5.967	Grand Total Levy	14,002,151	6.46%	\$ 6.4450		349,035.00

QUESTIONS