

ATTACHMENT X-C

ATTACHMENT X-C: Levy
Recommended Action: Hear the Information

Please find an attached presentation on the tax levy. You will also find handouts regarding four tax levy options with 2018 levy calculation page and 2018 tax extension worksheet for each option.

Information presented will be for discussion. Public hearing on the tax levy is scheduled for December 18, 2018 at 6:30pm. The tax levy must be filed with the County Clerk by December 21, 2018.

Tax Levy

North Boone School Board Meeting
November 13, 2018

Timeline

October 30, 2018: Business Service Committee

*Tax Levy Presentation

November 13, 2018: School Board Meeting

*Tax Levy Presentation.

December 18, 2018: School Board Meeting

*Public Hearing on Tax Levy

*Adopt the Tax Levy

By law the levy must be filed with the County Clerk by December 21, 2018.

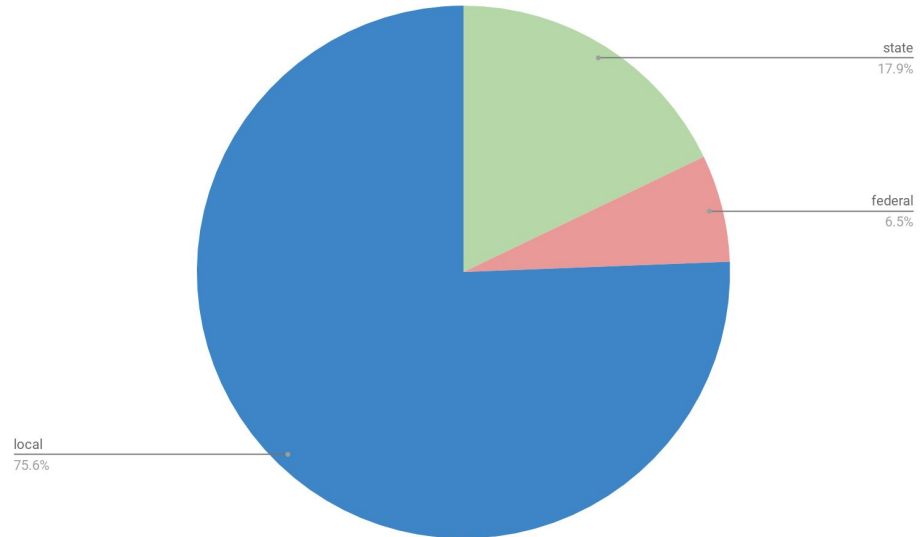
Revenue to School District

Education Funding in Illinois comes from:

Local: Property taxes (these numbers are generated through the tax levy process)

State: Evidence Based Funding
(additional \$387,698 in Fy19)

Federal: Grants (special education, ELL, etc.)



Fund Balances

- 10 Education: \$11,695,635
- 20 Operations and Maintenance: \$1,120,775
- 30 Debt Services: \$14,438,846
- 40 Transportation: \$1,545,821
- 50 Retirement/Social Security: \$267,705
- 60 Capital Projects: \$1,005,874
- 70 Working Cash: \$841,570
- 80 Tort: \$182,635
- 90 Fire Prevention: \$66,698

*These are subject to change after audit is final.

What is a tax levy?

A tax levy is the total amount of taxes imposed by a school district. Annually the Board of Education based upon budgeted needs must adopt a Tax Levy

This accounts for about 75% of the revenue for a school district.

This year the levy is due to the counties by December 21, 2018

Equalized Assessed Valuation (EAV)

The Equalized Assessed Valuation (EAV) is not known when the levy is adopted. Therefore, the EAV must be predicted so that estimates of taxes can be generated in funds with maximum rates can be made

The administration must assume what percentage of taxes actually will be collected.

Rate Setting EAV

2017: 142,632,072

2016: 135,449,486

Estimated EAV Including new construction: 154,335,793

Estimated New Construction: 635,472

Estimated percentage change from 2017 EAV including new construction: 8.21%

Tax rate

A tax rate in Illinois reflects the dollars levied per \$100 of equalized assessed valuation of real property. A tax rate is calculated by dividing the dollar amount of the tax levy by the total equalized assessed valuation (EAV) of the taxing district and multiplying the product by 100. For example, a levy of \$5,500,000 divided by a tax base of \$155,000,000 would produce a tax rate of \$.3548 per \$100 of EAV.

What happens after the levy is adopted?

Once the tax levy is adopted by the Board of Education, a copy of the resolution indicating that public hearing was held in accordance with the Truth in Taxation Act and a copy of the published certificate is submitted to the county clerk. Upon receipt of the tax levy the county clerk becomes responsible for generating individual tax bills for the property owners.

Tax Year 2017

Extension without bonds (capped): \$9,030,906.53

+

Total Bond Extension with Overlaps: \$2,235,172.94

=

Total Extension with Overlaps: \$11,266,079.47

Abatement of Bonds

Tax abatement

Abatement is a process by which school district (and other entities) reduce their request for tax money (the levy).

In 2017 the district abated \$935,000 of bonds.

*\$700,000 as part of the restructure plan

*\$235,000 additional

For 2018 the district is scheduled to abate

* \$900,000 as part of the restructure plan

Property Tax Relief Grants

New Grant Funding

Provides school districts with high tax rates relative to other school districts with an opportunity to lower the property tax burden on local taxpayers with the state replacing a portion of foregone tax revenue with state funds.

Grant due on Jan 7, 2019 and eligible districts will be notified on Jan 31st. Abatement will need to be filed by March 30th. Payment will come in May of 2019.

Property Tax Relief Grant Cont.

All districts may apply. The threshold for eligible applicants will be determined once grants are received. Allocation will be based on districts with the highest tax rate and funding will be districted until the \$50 million is exhausted.

The Maximum Possible Property Tax Relief Grant North Boone could be awarded is
\$1,277,254.19

Option 1

*Levy CPI (2.1%)

*Levy additional money for increase in final EAV & new construction

*Abate bonds at previously agreed upon amount of \$900,000

*Estimated Levy Rate 7.5213%

This would mean a potential decrease of \$245 a year for a \$150,000 home.
(When the EAV increases tax rates decrease)

Total Capped: 9,476,000

+

Bond/Interest 2,349,400

=

Total all funds 11,825,400

Option 2

*Levy CPI (2.1%)

*Levy additional money for increase in final EAV & new construction

*Abate bonds at previously agreed upon amount of \$900,000

*Abate additional CPI % of about 200,000

*Estimated Levy Rate 7.3917

This would mean a potential decrease of about \$300 dollars a year for a \$150,000 home

Total Capped: 9,476,000

+

Bond/Interest 2,149,400

=

Total all funds 11,625,400

Option 3

*Do not levy CPI increase of 2.1%

*Abate bonds at previously agreed upon amount of \$900,000

*Estimated Levy Rate 7.3979

Potential decrease of about \$300 a year for a \$150,000 home

District can potentially lose up to \$200,000 in revenue

Total Capped: 9,068,246

+

Bond/Interest 2,349,400

=

Total all funds 11,417,646

Option 4

*Levy CPI (2.1%)

*Levy additional money for increase in final EAV & new construction

*Abate bonds at previously agreed upon amount of \$900,000

*Apply for Property Tax Relief Grant. If awarded grant, abate up to and additional \$327,000 depending on grant award.

* Initial Estimated Levy Rate 7.5213%

Depending on aware amount tax levy would range from 7.5213% to 7.3094%

This would mean a potential decrease of \$245 to \$340 a year for a \$150,000 home.

Total Capped: 9,476,000

+

Bond/Interest 2,149,400

=

Total all funds 11,625,400

Questions?

Further Recommendations