

# 2021 Tax Levy

November 15, 2021

# Tax Levy Process

- Property Tax revenues are the largest source of revenue for Illinois public school districts in our area
- The Tax Levy is the District's formal request for property tax revenues
- Property Taxes are collected by the Counties and distributed to taxing bodies

# Tax Levy Process

- The Tax Levy is governed by:
  - School and Property Tax Code
  - Truth in Taxation Law
  - Property Tax Extension Limitation Law (PTELL) or commonly known as the tax cap

# Tax Levy Process

- Levy Calculations are based on:
  - Consumer Price Index (CPI)
  - New Construction
  - Equalized Assessed Valuation (EAV)

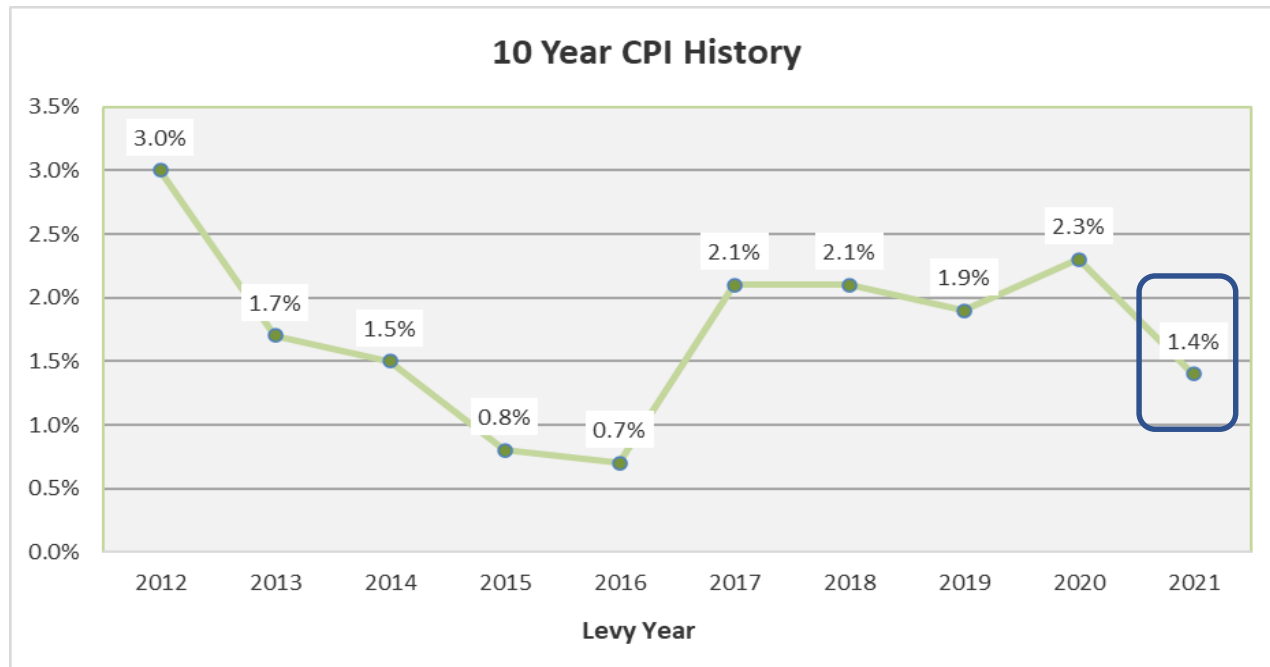
# Tax Levy Process

- With this calculation, we typically know what to expect for local tax revenues but will levy slightly higher to capture any unanticipated increase in valuation or new construction.
- We can always reduce the levy but we cannot add to it.
- Districts must file their levies with their counties on or before the last Tuesday of December.

# Tax Cap Items of Note

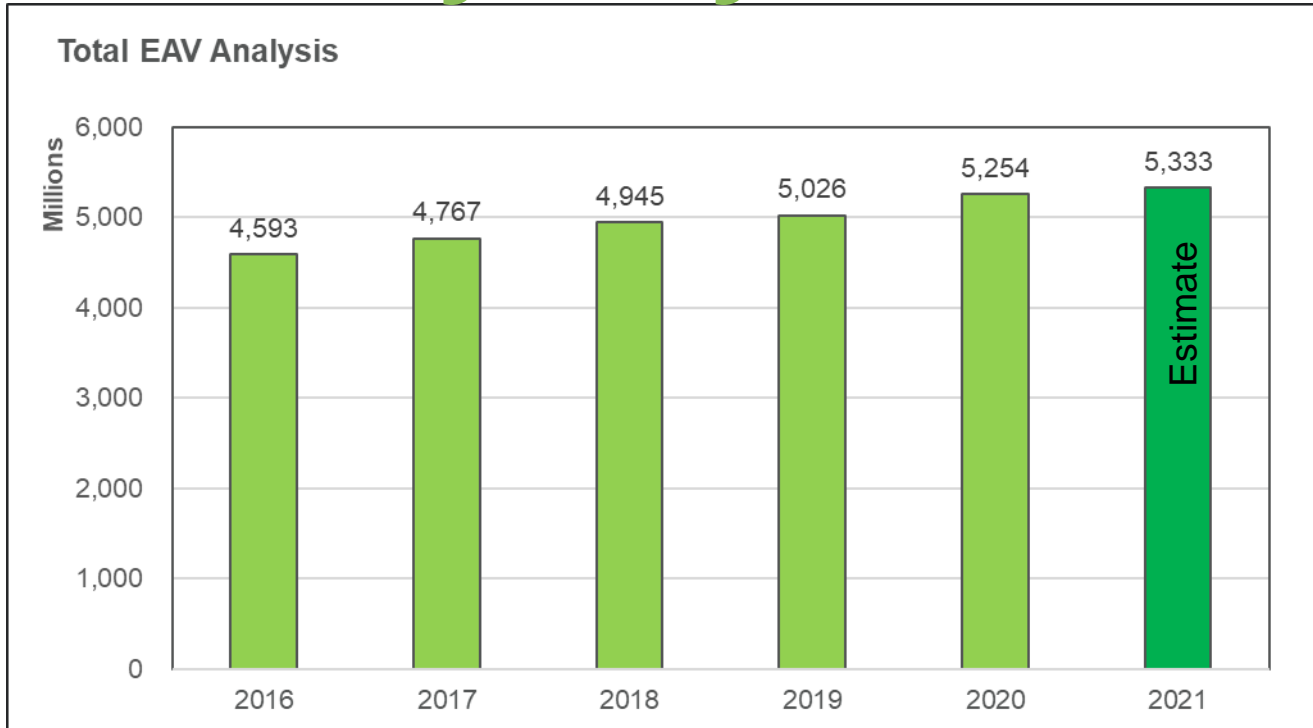
- The tax cap **does** limit property tax revenues that the District receives.
- The tax cap **does not** cap individual property tax bills or property assessments.

# CPI History



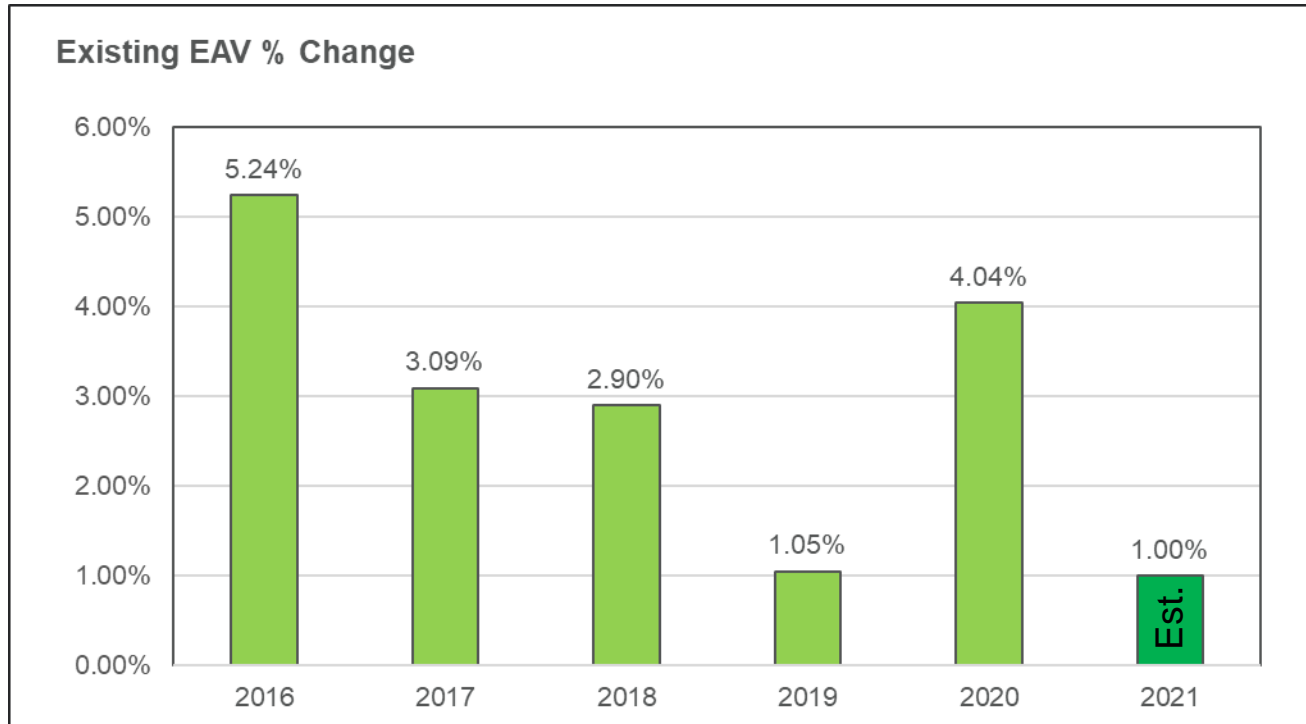
3-Year Average	1.9%
5-Year Average	2.0%
10-Year Average	1.8%

# Total EAV by Levy Year

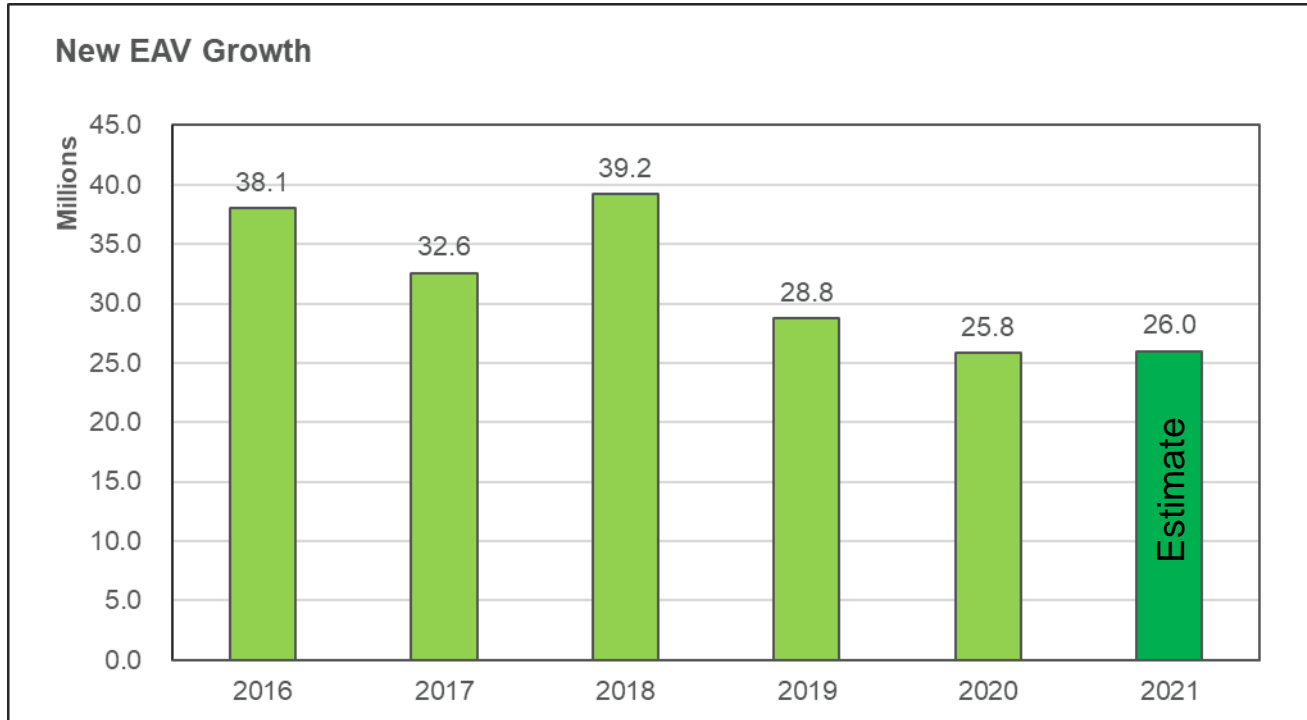




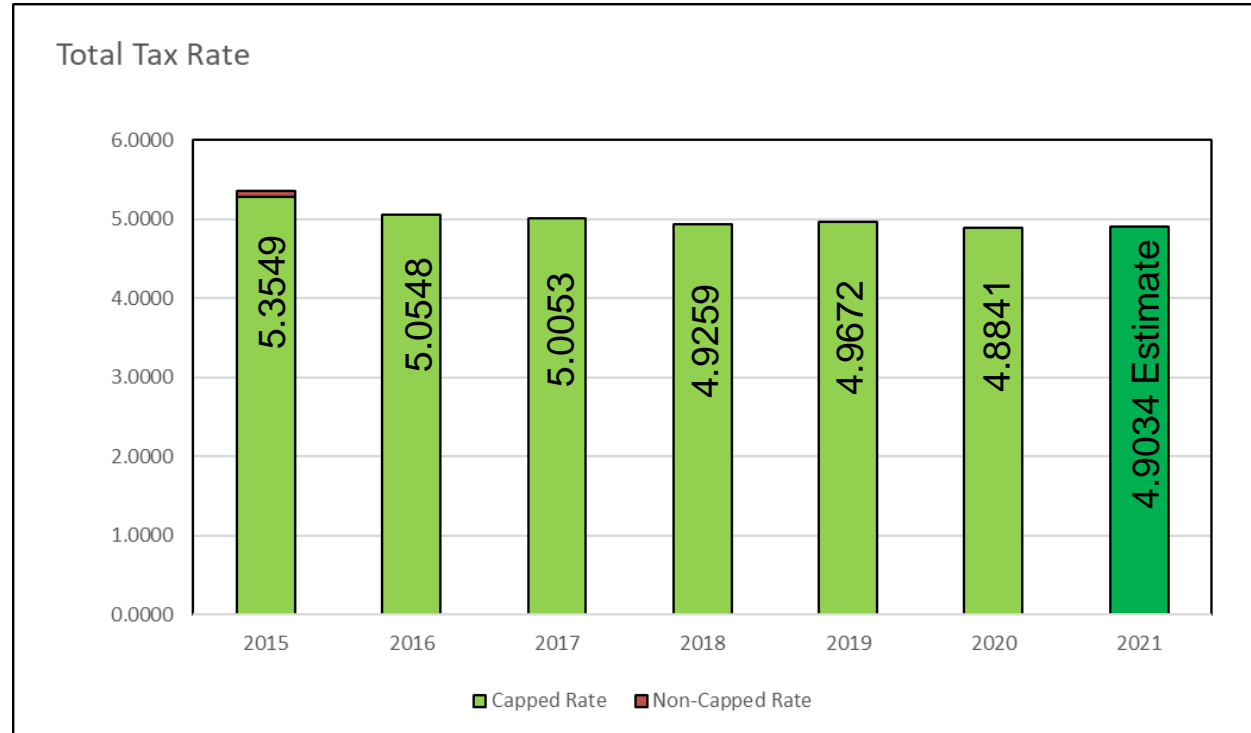
# Existing EAV change by Levy Year



# New EAV by Levy Year



# Total Tax Rate by Levy Year



# Tax Levy Determination

## 2021 LEVY CALCULATION PAGE

### Original Assumptions

Consumer Price Index	1.40%
Actual Total EAV for 2020	\$5,254,428,211

Limiting Rate:  $\frac{\text{Prior Year Extension} \times (1 + \text{Lesser of 5\% or CPI})}{\text{Total EAV} - \text{New Property}}$

Estimated Existing EAV % change for 2021	1.00%
Estimated Existing EAV Value for 2021	\$5,306,972,493

Estimated New Property for 2021	\$26,000,000
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Limiting Rate	4.9034
Estimated Capped Extension	\$261,499,264.78

Estimated Total EAV for 2021	\$5,332,972,493	Includes New Property
Estimated Total EAV % change for 2021	1.49%	Includes New Property

	Prior Year Extension	Statutory Maximum Tax Rate	Individual Fund Estimated Maximum Extension	Weighted Extension Based on Prior Year	Levy Amount \$	Levy Increase %	Final Levy Amount
Educational	\$170,984,348.41			\$174,227,546.04	\$177,000,000		\$177,000,000.00
Operations & Maintenance	\$29,545,649.82	0.75	\$39,997,293.70	\$30,106,065.92	\$29,000,000		\$29,000,000.00
Transportation	\$9,084,906.37			\$9,257,227.09	\$8,800,000		\$8,800,000.00
Working Cash	\$1,003,595.78	0.05	\$2,666,486.25	\$1,022,631.79	\$1,000,000		\$1,000,000.00
Municipal Retirement	\$4,240,323.56			\$4,320,753.19	\$4,350,000		\$4,350,000.00
Social Security	\$4,692,204.39			\$4,781,205.20	\$4,800,000		\$4,800,000.00
Fire Prevention & Safety *	\$0.00	0.00	\$0.00	\$0.00			\$0.00
Tort Immunity	\$1,150,719.77			\$1,172,546.40	\$1,470,000		\$1,470,000.00
Special Education	\$35,929,780.11	0.80	\$42,663,779.94	\$36,611,289.14	\$36,600,000		\$36,600,000.00
Leasing	\$0.00	0.00	\$0.00	\$0.00			\$0.00
	\$0.00	0.00	\$0.00	\$0.00			\$0.00

Capped Extension **\$256,631,528.21**

**\$261,499,264.78**

Truth in Taxation		
Capped Levy	\$263,020,000.00	2.49% NO

# Tax Extension

- Tax extensions are the actual amount of taxes billed to property owners and tax rates are established.
- The amounts are typically lower than the amount in the District's levy
  - If our request is higher than the tax cap calculation, the levy amounts are adjusted down
  - If our request is lower than the tax cap calculation, we get the levy amount

# Key Points

- If Debt Service is again abated: Average tax bill will increase by CPI (1.4%)
- If Debt Service is not abated: Average tax bill will increase approximately 2.5%
- BOE may consider additional abatements lowering expected increase

# Tax Levy Timeline

- November 15, 2021 – Tentative Tax Levy Determination
- November 30, 2021 – Citizen Finance Advisors meeting
- December 6, 2021 – Levy review
- December 20, 2021 – Adopt Tax Levy Resolution
- December 28, 2021 – Last Day to Submit Levy to Counties
- March 2022 – Potential Bond and Aggregate Abatement(s)

# Administrative Recommendation

- Support the 2021 Tax Levy as presented
- Tentatively Recommend Abating the Debt Service Levy in March 2022



# *Naperville 203*

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