

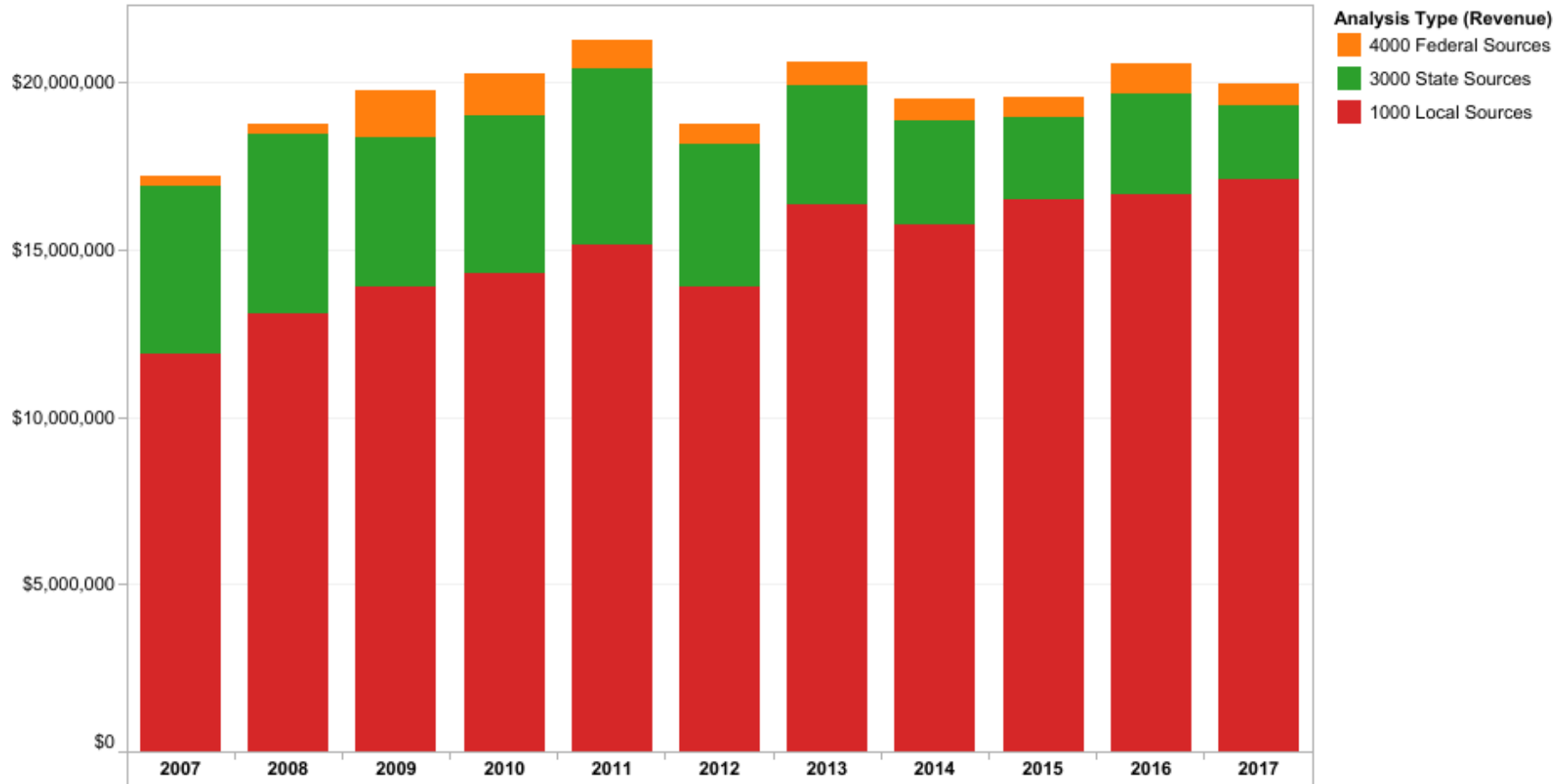
PEOTONE CUSD 207U

2018 Tax Levy Information

Sources of Funding (2017 Receipts)

- Local Sources of Funding: \$17.10 million (85.63%)
- State Funding: \$2.22 million (11.14%)
 - Excludes the on-behalf payment for TRS
- Federal Funding: \$0.64 million (3.23%)

Sources of Funding History



Fundamental Levy Concepts

- As a district, we set the levy (dollar amount to be received from property taxes) with the idea it will be proportionately spread among all taxpayers based on property values
- The school district does not levy a tax rate, but is responsible for calculating and approving an annual tax levy request
- The tax cap law (PTELL) ensures the total tax extension of the district does not exceed the previous year's CPI figure or 5%, whichever is lower
 - The actual increase could be higher because new property is excluded from the cap limit
- It is possible for individual tax payers to see a higher increase, but this is because of a shift in allocation, not because the total levy his higher
- Factors such as tax appeals, exemptions, individual property improvements, and TIFs can affect individual bills

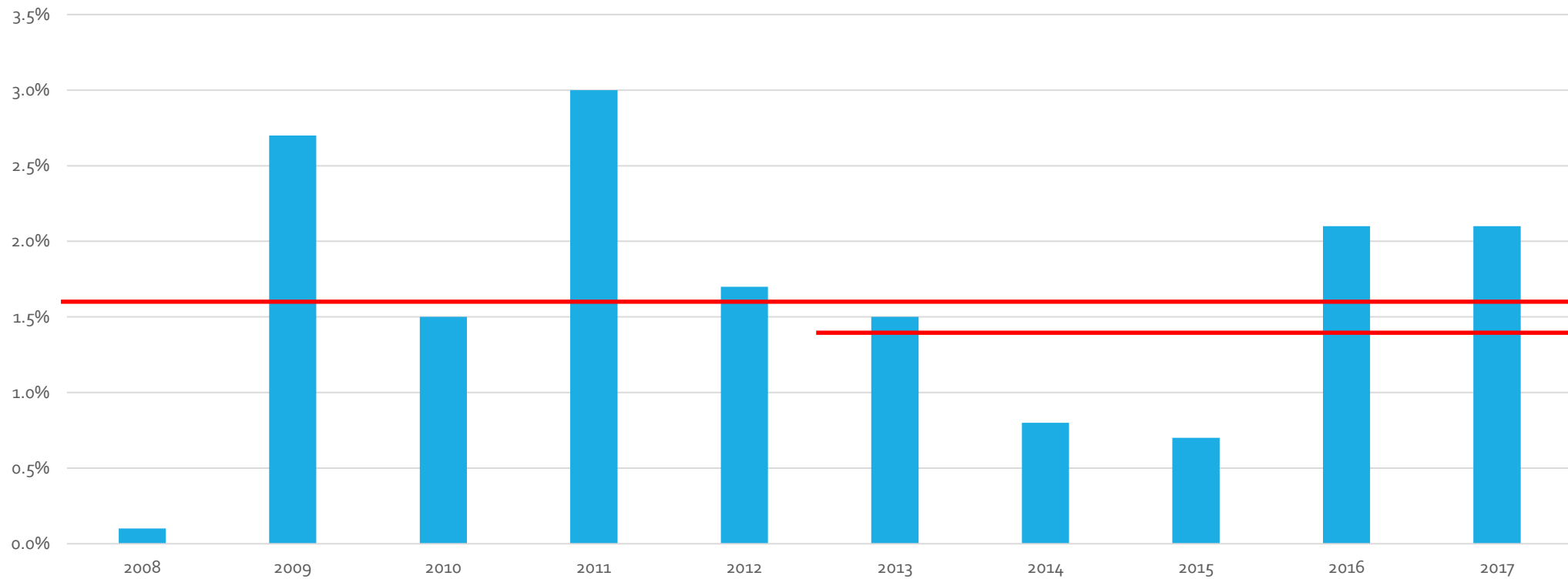
Property Taxes and PTELL

- Property Tax Extension Limitation Law (PTELL) has been in place since 1991
- Limits the increase in aggregate tax extension to the lesser of 5% or the 12-month rate of inflation as measured by the All Urban Consumer Price Index (CPI) published by the U.S. Department of Labor, exclusive of debt service
- CPI used for the 2018 levy is 2.1%

CPI History Used for PTELL

5 Year Average: 1.4%
10 Year Average: 1.6%

PTELL CPI History



The Tax Levy Process

- The district is responsible for determining the estimated tax levy no less than 20 days prior to the adoption of such levy and should present the levy to the Board in November
- If the Board intends to adopt an aggregate levy that is more than 105% of the prior year's extension, the district must publish notice and conduct a public hearing
- The district must adopt and file the tax levy with County Clerk offices by last Tuesday in December
 - This requires approval by the Board at the December meeting

Equalized Assessed Value (EAV)

- EAV is the total taxable value of property within the District
 - The value can be adjusted to equalize it with other counties if it is determined the assessor has under or over valued the property
- Total EAV changes every year and is affected by a variety of factors
 - The tax levy is determined using estimated values, which often results in a “balloon levy” in case the estimated values are different from actuals
- Residential, Commercial, and Industrial property classifications can be challenged at the Board of Review to reduce their EAV, which would result in other taxpayers making up this reduction in the form of higher individual bills
- If there is an increase in the number or amount of exemptions in the community, this can cause individual tax bills to increase

Peotone 207U EAV History

Levy Year	EAV	\$ Growth	% Change		
2008	\$ 393,846,937	\$ 22,870,196	6.16%		5 Year Average
2009	\$ 396,004,685	\$ 2,157,748	0.55%		0.72%
2010	\$ 390,609,891	\$ (5,394,794)	-1.36%		
2011	\$ 373,365,144	\$ (17,244,747)	-4.41%		10 Year Average
2012	\$ 348,029,306	\$ (25,335,838)	-6.79%		-0.22%
2013	\$ 328,528,260	\$ (19,501,046)	-5.60%		
2014	\$ 328,243,076	\$ (285,184)	-0.09%		
2015	\$ 333,937,925	\$ 5,694,849	1.73%		
2016	\$ 350,777,926	\$ 16,840,001	5.04%		
2017	\$ 359,628,476	\$ 8,850,550	2.52%		
2018	\$ 371,570,491	\$ 11,942,015	3.32%		

***Estimated on preliminary values provided on August 20, 2018

Peotone Property Data

- Taxable Property Values
 - 99.97% of property in Will County
 - 0.03% of property in Kankakee County
- EAV by Property Class
 - 61.26% of property is Residential Value
 - 25.95% of property is Farm Value
 - 7.15% of property is Commercial Value
 - 5.42% of property is Industrial Value
 - 0.22% of property is Railroad Value

Tax Levy and New Property

- New Property can be:
 - Finished new construction projects
 - Improvements or additions to existing property on any parcel that increased the assessed value of that property
- New properties are added to the EAV and thus add to the levy
 - The best way for a community to decrease the overall tax rate is to have EAV that is increasing faster than CPI
- New property taxes are collected beyond the capped levy amount in the first year
- If you do not capture all of the new EAV the first year it comes on the tax rolls, you can never capture it again in the future as new property

Bond and Interest Levy

- The Bond and Interest portion of the tax levy has been predetermined by prior action when bonds are either sold or refinanced
 - This debt is either approved by referendum or issued by the board in an amount not to exceed the DSEB limit of the district each year
- The repayment schedule is set at the time of issuance and no further action is required of the district to levy those funds
- The county clerk will extend taxes for debt service based upon resolutions filed for each year such a levy is required

Key Points for 2018 Tax Levy

- Our operating levy, which includes all funds except Debt Service is being requested to be set at \$11,819,418 (2.89% over last year's request or 4.90% over last year's actual extension)
- The Debt Service tax extension will increase by \$1,356 to \$5,020,016 or 0.03%
- Total Levy Request for 2018 is estimated at \$16,839,343
 - We will not receive that much new revenue, but are requesting more due to our Equalized Assessed Value (EAV) and new property being unknown at this time
- Our best guess as to what we will actually receive, due to being limited to a Consumer Price Index (CPI) increase of 2.1% is \$11,523,418 or \$256,618 in new operating revenue, which equates to 2.28% increase in operating revenue

QUESTIONS/COMMENTS

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