

# VALLEY VIEW SCHOOLS DISTRICT 365U

2015 Tax Levy Information

# Where do we get our funding?

- Local resources - \$184.8 million (73%) mainly comprised of property taxes and user fees
- State funding - \$51.9 million (21%)
  - ▣ Excludes TRS on-behalf payment of \$53.6m
- Federal dollars estimated at \$16.4 million (6%)

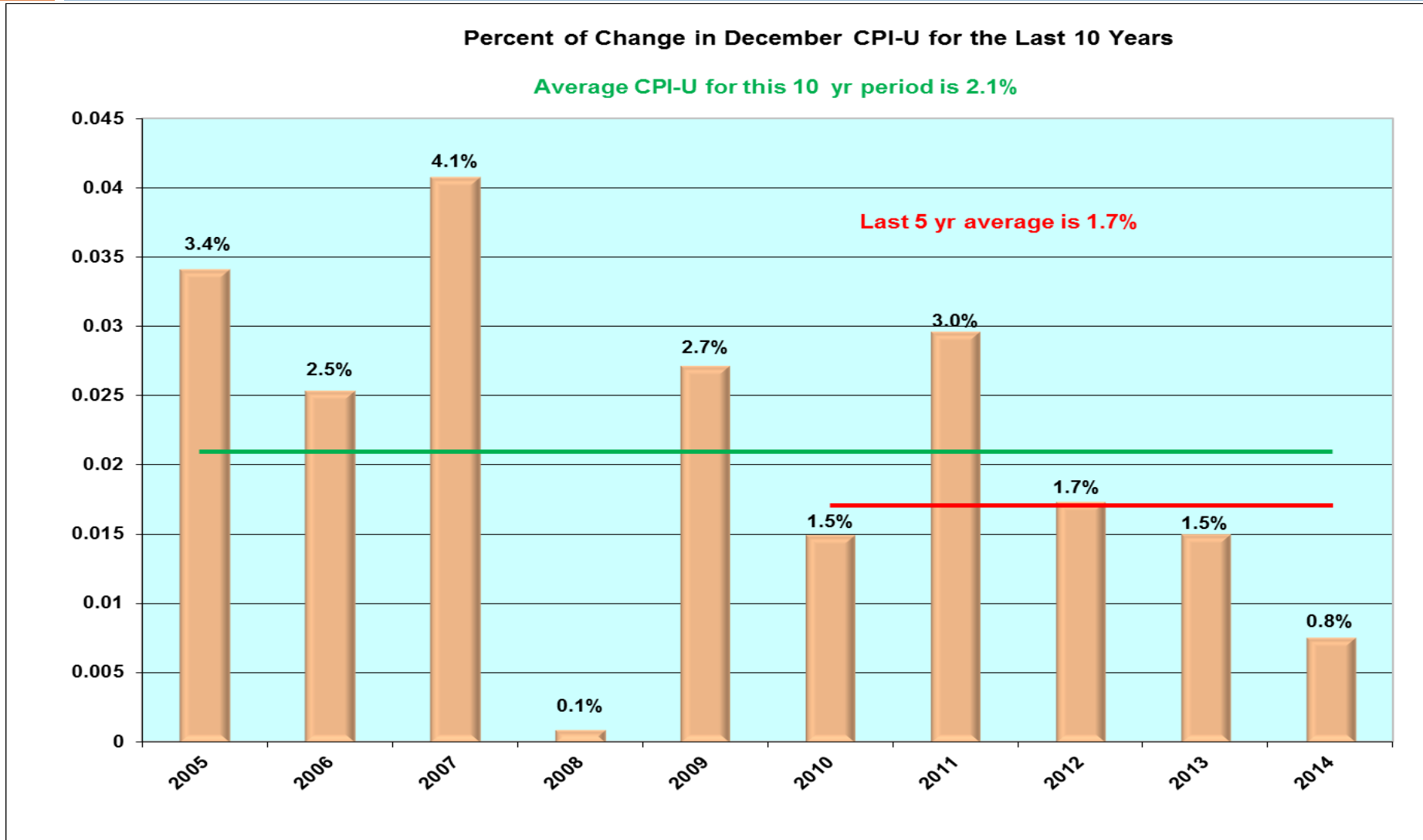
# Concept of Property Tax Levy

- Set the levy (amount of \$ to be received from property taxes) with the idea it will be proportionately spread among all taxpayers
- The school district does not levy a tax rate but is responsible for formulating and approving an annual tax levy request.
- Tax cap law ensures no individual taxpayer can see more than a 5% increase per year on their bill, BUT shifts in the tax burden make it appear to homeowners that taxing bodies like the school district are asking for more.
- Factors such as tax appeals, exemptions, and TIFs cause such shifts

# The Property Tax Levy

- 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 US Dept. of Labor, exclusive of debt service
- CPI for 2014 is .08%

# Consumer Price Index history



# The Levy Process

- Determine the estimated tax levy no less than 20 days prior to the adoption of such levy and present to Board in November
- If the Board intends to adopt an aggregate levy that is more than 105% of the prior year must prepare publication and conduct public hearing
- Must adopt and file with County Clerk by last Tuesday in December

# Equalized Assessed Valuation (EAV)

- EAV – The total taxable value of property within the District
- Total EAV is a moving target
- Residential, Commercial and Industrial classifications can get a Board of Review change to reduce their EAV, which in turn gets “added” to other taxpayers bills.
- Exemptions which are granted also negatively impact tax bills of all other taxpayers

# VALLEY VIEW EAV HISTORY

<u>Levy Year</u>	<u>EAV</u>	<u>\$ GROWTH</u>	<u>% CHANGE</u>	
2005	\$2,225,076,328	240,862,137	12.14%	<b><u>10 Year Avg.</u></b>
2006	\$2,492,673,282	267,596,954	12.03%	0.89%
2007	\$2,699,436,253	206,762,971	8.29%	
2008	\$2,912,037,761	212,601,508	7.88%	
2009	\$2,832,739,807	(79,297,954)	-2.72%	
2010	\$2,727,656,205	(105,083,602)	-3.71%	<b><u>5 Year Avg.</u></b>
2011	\$2,488,681,437	(238,974,768)	-8.76%	-5.75%
2012	\$2,254,425,493	(234,255,944)	-9.41%	
2013	\$2,119,447,636	(134,977,857)	-5.99%	
2014	\$2,100,816,295	(18,631,341)	-0.88%	
2015**	\$2,186,769,627	85,953,332	4.09%	

## Notes

\*\*Estimated

As of 10-22-15 per County Assessor's Office

Includes estimated reduction of \$177.5M in exemptions and \$49M in appeals



# VALLEY VIEW PROPERTY DATA

## **Taxable Property Values**

- 80.7% - DuPage Township
- 19.3% - Lockport Township

## **Equalized Assessed Valuation by Property Class**

- 57.9% - Residential
- 26.3% - Industrial
- 15.8% - Commercial/Farm/Railroad

# Levy and New Property

- 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
- New properties taxes are collected beyond the capped levy amount
- 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

# Debt Service

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- The Debt Service portion of the tax levy has been predetermined by prior action when bonds are either sold or refinanced. The schedule is set at that time, and no further action is really necessary. The county clerk will extend taxes for debt service based upon resolutions filed for each year such a levy is required.

# Key Takeaways for 2015 Levy

- Our operating levy, which includes all funds except Debt Service is being requested to be set at \$141,040,000. (1.96% over last years request or 4.93% over actual extension)
- The Debt Service tax extension will increase by \$1.59 million to \$27,510,513 or 6.15%.
- Total Levy Request for 2015 is \$168,550,513
- 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 .8% is \$136,291,282, or \$1.88M in new operating revenue, which equates to .8% increase in operating revenue.
- Overall expected levy increase, including new property and debt service equals \$3,471,000 or 2.16%

QUESTIONS/COMMENTS

