

# 2020 Property Tax Levy Presentation

November 17, 2020

Board of Education Meeting

# Levy Timeline

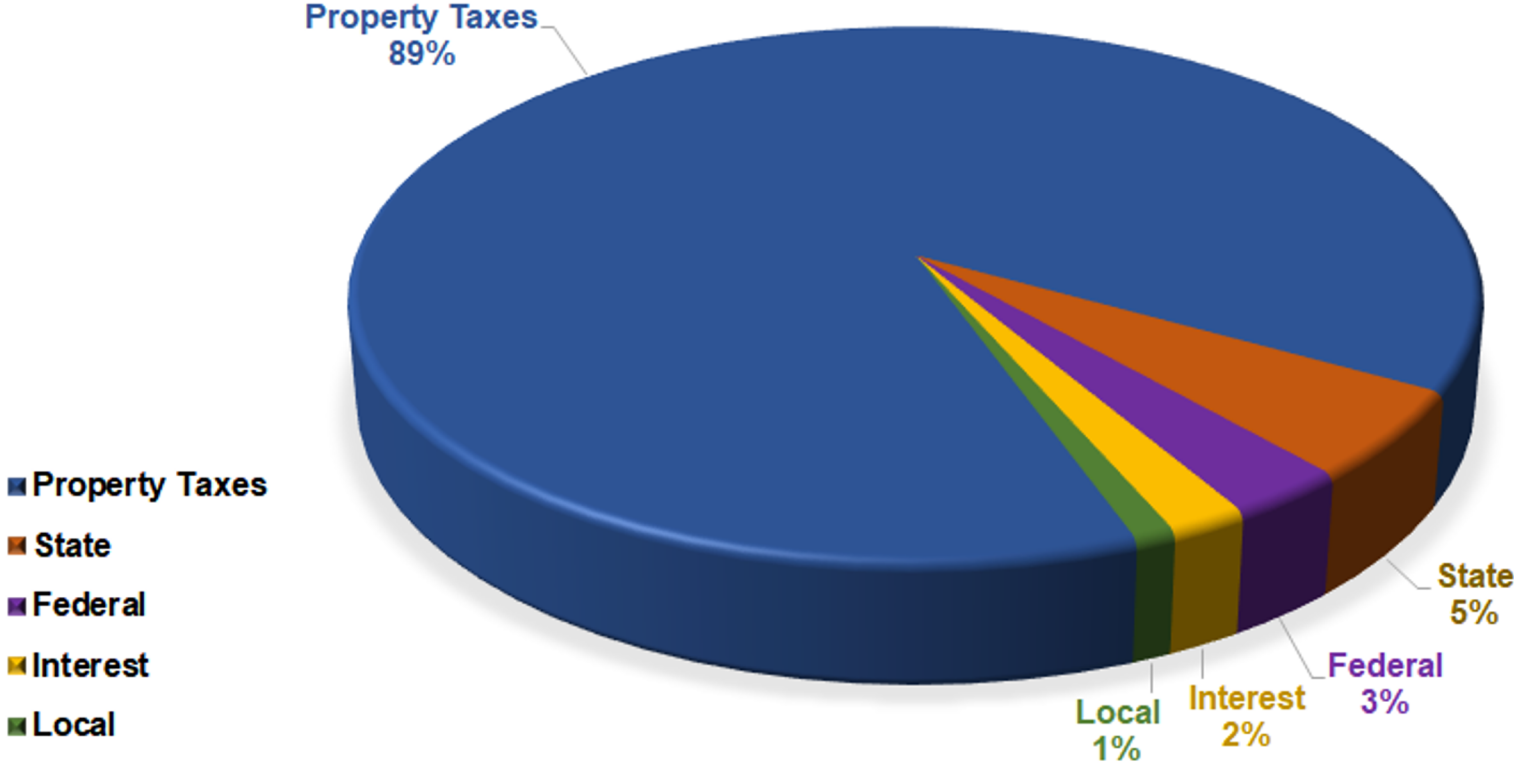


- Levy adoption will be today, November 17, 2020, at the Board Meeting.
- File the adopted certificate of tax levy no later than the last Tuesday of December 2020.
- Extension process, receipt of levied revenues begin in Spring 2021.

## ***Mission Statement***

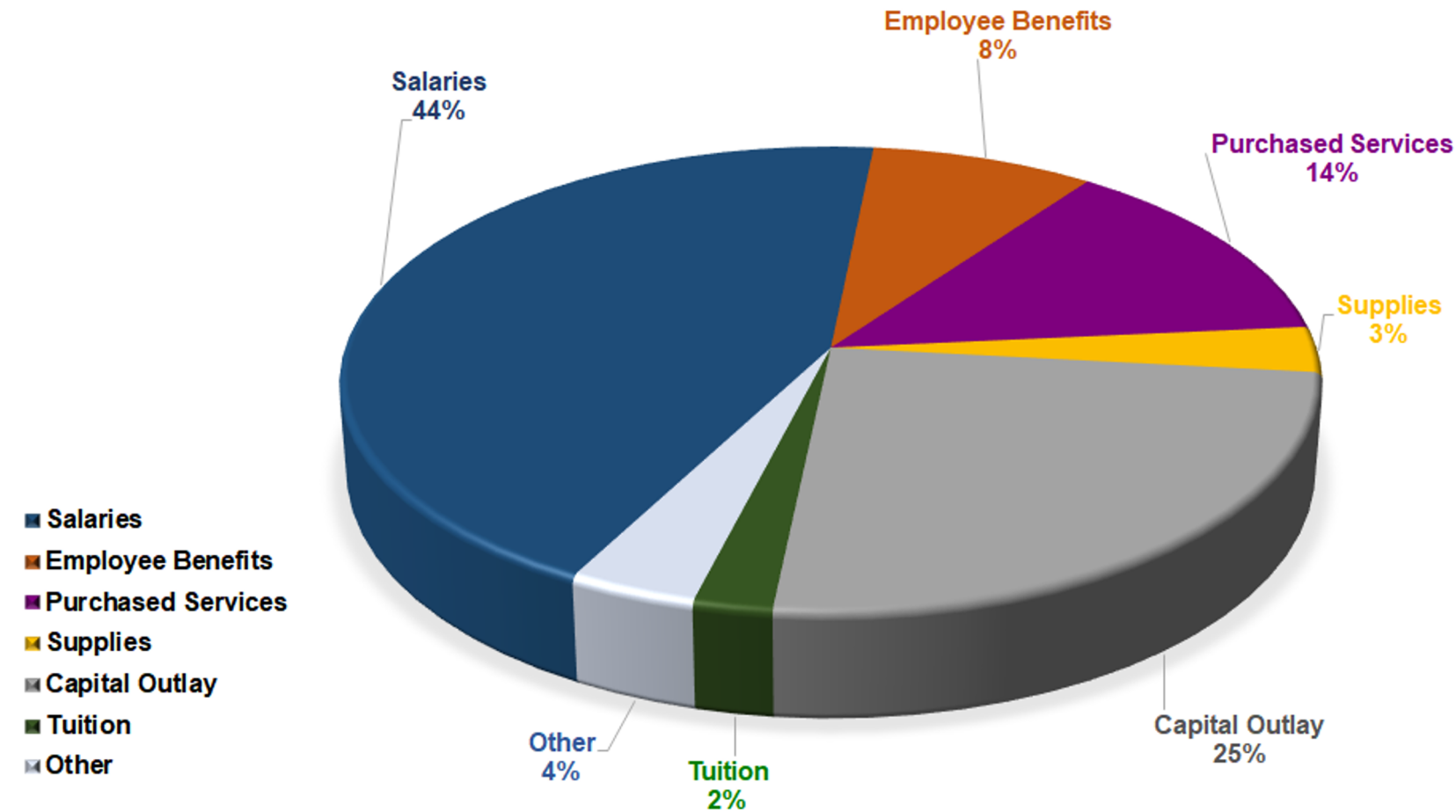
*The mission of North Shore School District 112, a community partnership committed to a world-class education, is to nurture every child to become an inspired learner, a well-rounded individual and contributing member of a global community by striving for excellence within an environment that fosters innovation, respect, engagement and intellectual inquiry.*

# Revenues Sources: FY 2021 Recap



**Total Revenues  
\$82,002,645**

# Expenditures Sources: FY 2021 Recap



**Total Expenditures  
\$104,404,311**



# Key Terms

- **Tax Levy:** The amount of money a school district requests to be raised from property tax.
- **Property Tax Extension Limitation Law:** Commonly referred to as the 'Tax Cap' of PTELL.
- **Extension:** The growth in the levy, limited by PTELL.
- **CPI (Consumer Price Index):** An inflationary indicator that measures the change in the cost of a fixed basket of products and services including housing, electricity, food, and transportation.
- **EAV (Equalized Assessed Valuation):** The term EAV refers to the assessed value of all taxable real estate in the district.

# PTELL Calculations

**PTELL  
Limiting  
Rate** =

**Prior Year Levy x  
1+CPI % increase**

Equalized Assessed Value – New Property EAV,  
Recovered TIF Increment EAV, Annexed Property EAV,  
Expired Incentives EAV + Disconnected Property EAV

**Property  
Tax  
Rate** =

**Levy**

Equalized Assessed Value

# Levy – General Information



- The final levy amount and related tax rate (or extension) are determined by the Lake County Clerk's office based on the requested amounts, after applying PTELL reductions (tax cap law).
- PTELL limits an amount of increase in taxes from year to year to the lesser of 5% or the prior year CPI, plus the value of new property.

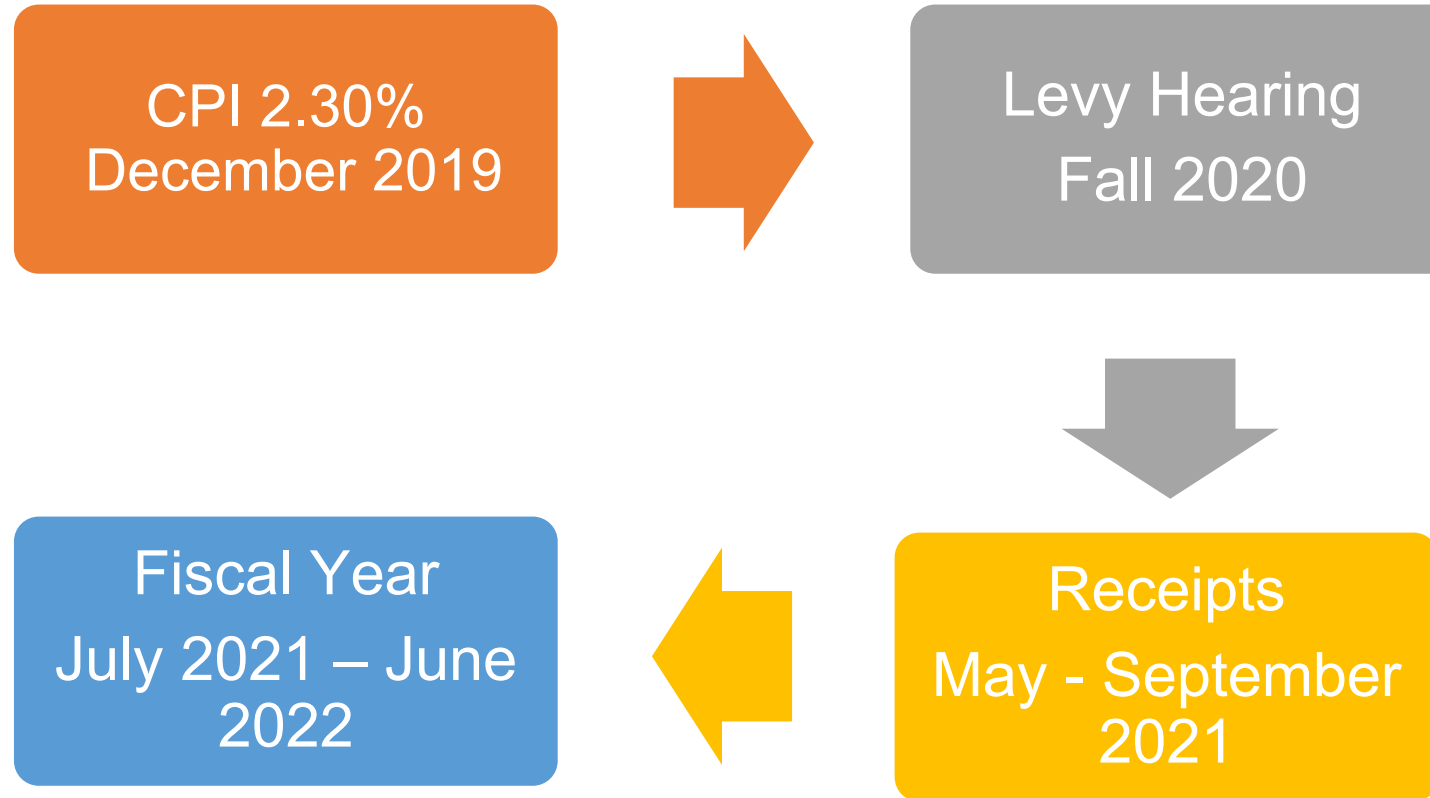
# Levy – General Information



- A minimum of 20 days between the presentation of a tentative levy and its adoption is required if in excess of the 5% threshold.
- If the tentative/final levy is in excess of 5%, a Truth-In Taxation notice must be published and a Public hearing conducted.
- Once the levy is adopted, it must be filed with the Lake County Clerk.



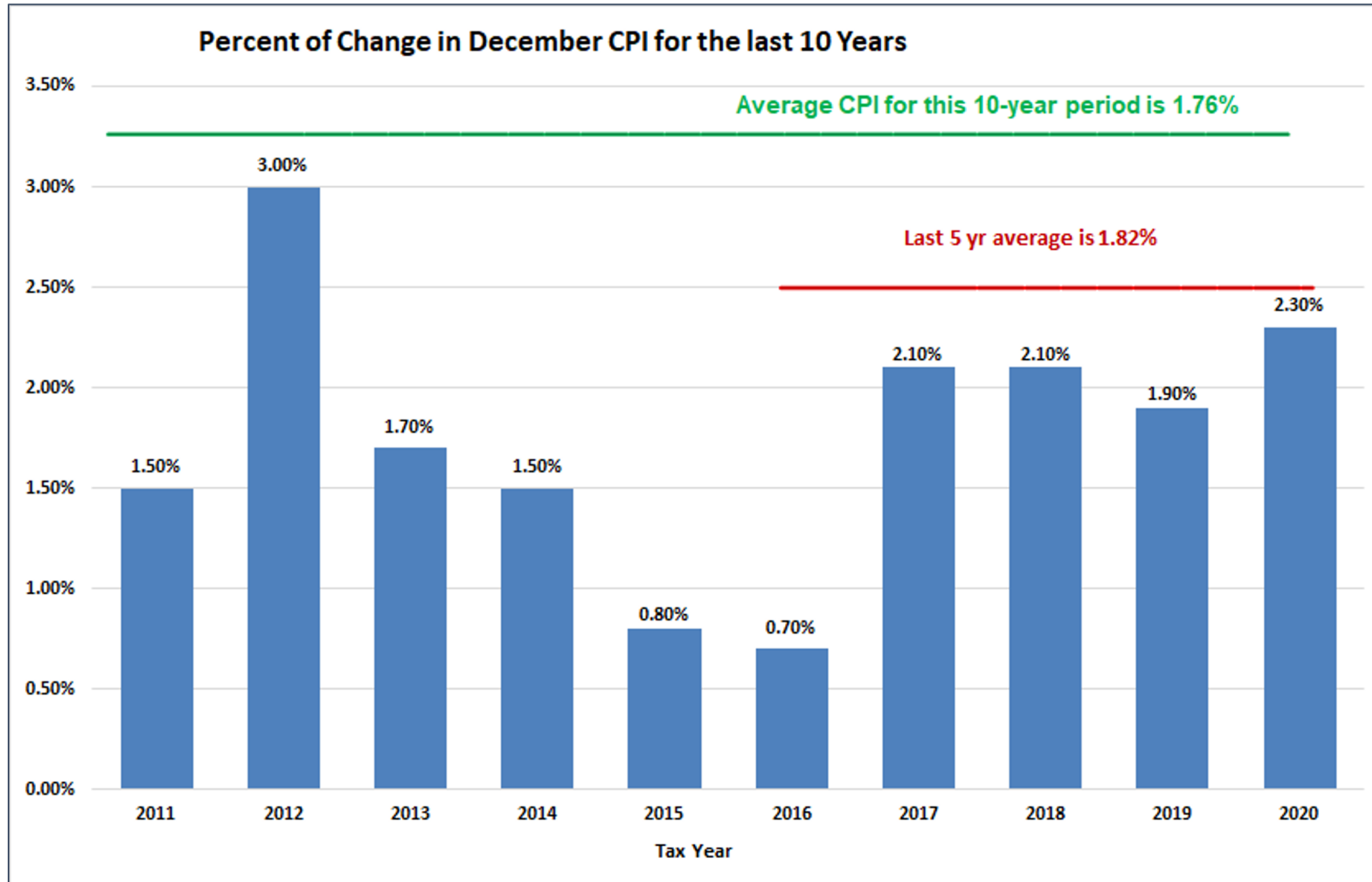
# Levy Process Flow



# 2020 Levy Calculation

- Equalized Assessed Valuation of all property = \$2,423,841,922
- Prior Year Extension = \$73,665,695
- CPI = 2.30%
- In addition to getting tax revenue from existing property, we request additional taxes related to new property/new taxpayers. This is an estimate at the time of the levy.
- Estimated New Property = \$19.6 million
- The district is also entitled to revenues from properties, which were previously not paying taxes to the school district in a TIF (Tax Increment Financing) District.

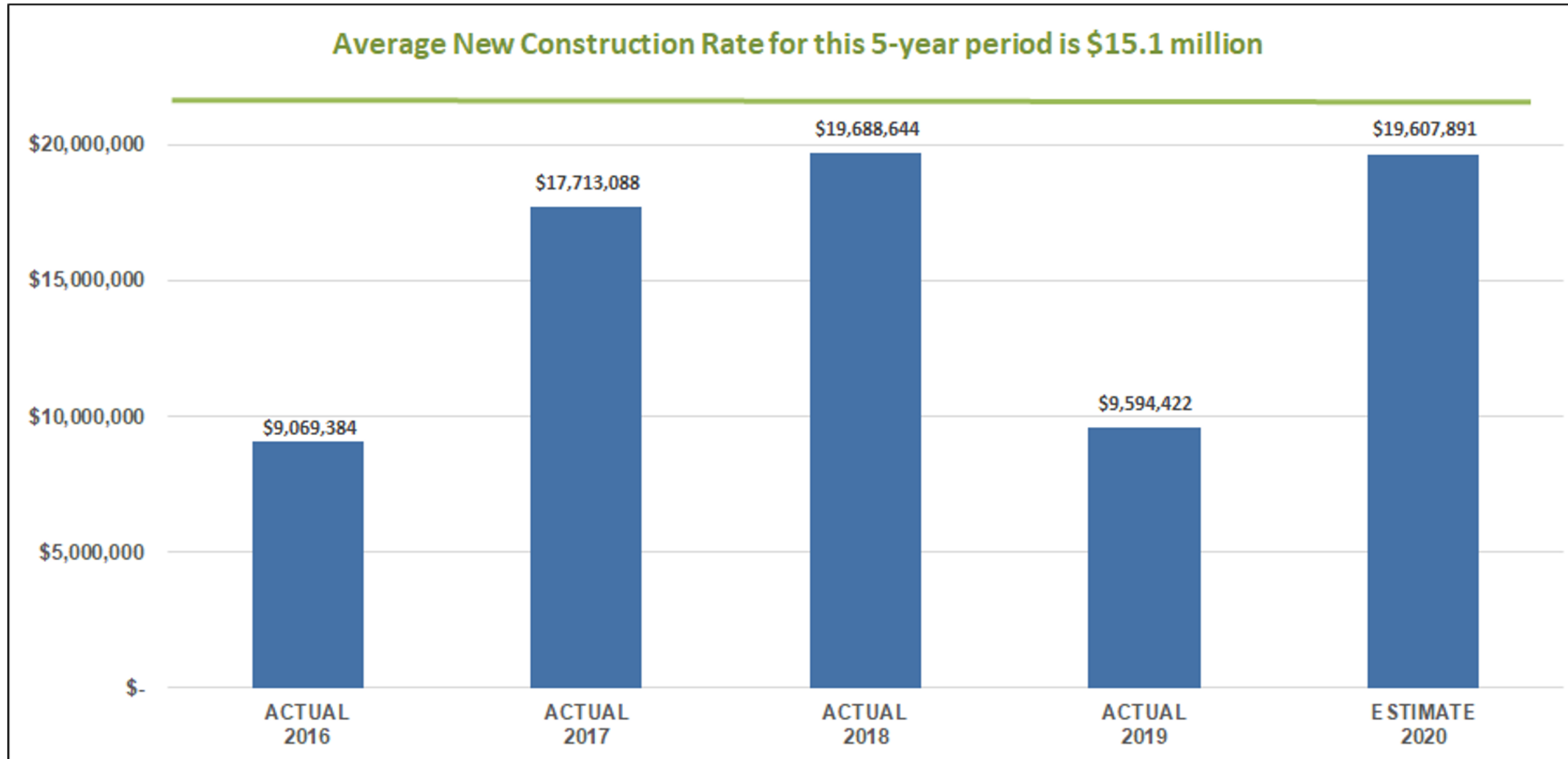
# Consumer Price Index (CPI)



The CPI rate for Tax Year 2020, is the rate used to cap our 2020 tax levy that we will collect in the calendar year 2021, to be used for the 2021-2022 school year.

The Tax Year CPI is based on the prior year's calendar change, i.e. December 2019 CPI = CPI for Tax year 2020.

# New Property EAV



“New property” includes the assessed value of new improvements or additions to existing improvements on any parcel of real property that increased the assessed value of that real property during the levy year. See [35 ILCS 200/18-185](#).

We use \$12.5 million in our 5 Year model Projections as a New Property assumption.

TAX YEAR



# Expected Increase

- This levy represents a 3.20% increase over last year's extension.
- The District conservatively levies more to account for any unforeseen increases in New Property or EAV.

# Property Tax Extension Limitation Law (PTELL)



- Why do we levy up to the PTELL Limit?
  - Heavy dependence on local property taxes (89%)
  - Only mechanism for significant revenue growth
  - State/Evidence-Base Funding - NSSD112 is Tier 4 (0.1% of New Funding)
  - Federal - no increase
  - Other local funding mechanisms
    - Student Fees
    - FDK Tuition - removed in FY 2020-2021

# Property Tax Extension Limitation Law (PTELL)



- Why do we levy up to the PTELL Limit?
  - Global pandemic spending. Reimbursement doesn't make the district 'whole'
  - NSSD112 has significant capital needs beyond our operating levy capacity (Wight & Gilbane estimates)
  - No Debt Service Extension Base (DSEB); an amount that a district can levy to pay on loans or bonds each year. Typically used for ongoing Health Life Safety (HLS) and HVAC.

# Summary

- What are we asking for: \$76.0 million
- What do we think we will get: \$75.9 million







# Questions and Comments