

2019 Property Tax Levy Presentation

November 19, 2019

Board of Education Meeting

Levy Timeline

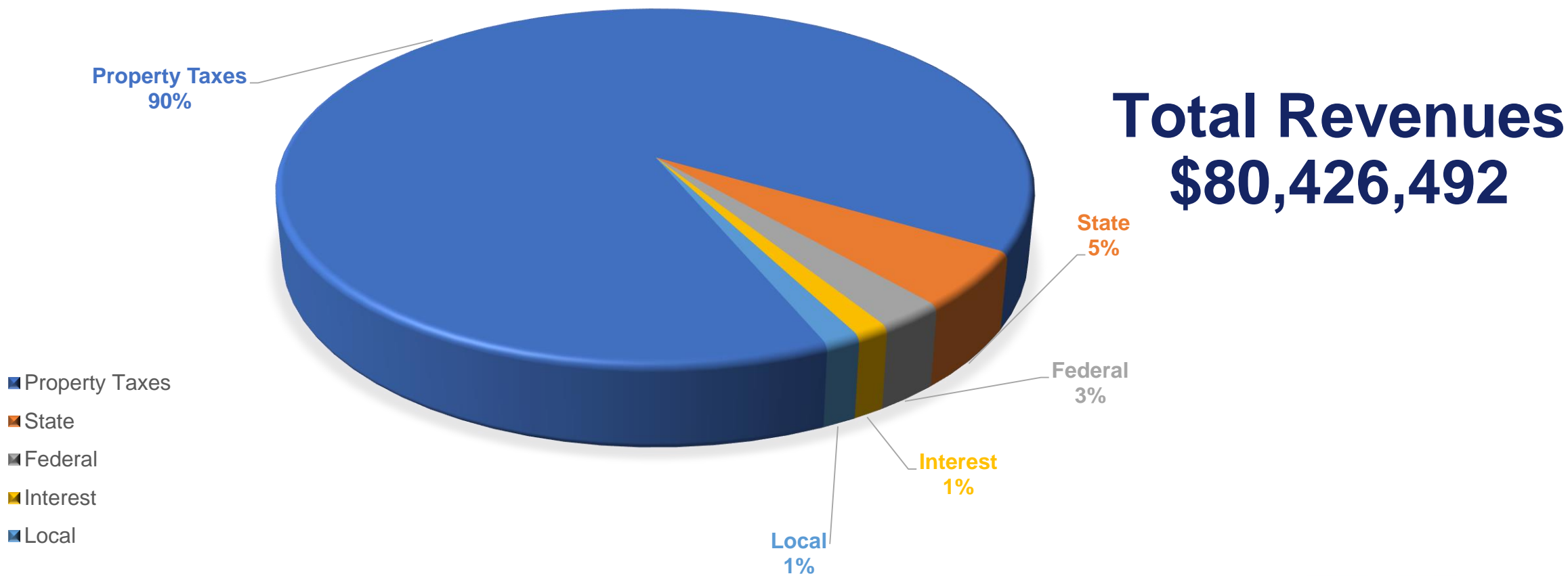


- Levy adoption will be today, November 19, 2019, at the Board Meeting.
- File the adopted certificate of tax levy no later than the last Tuesday of December 2019.
- Extension process, receipt of levied revenues begin in Spring 2020.

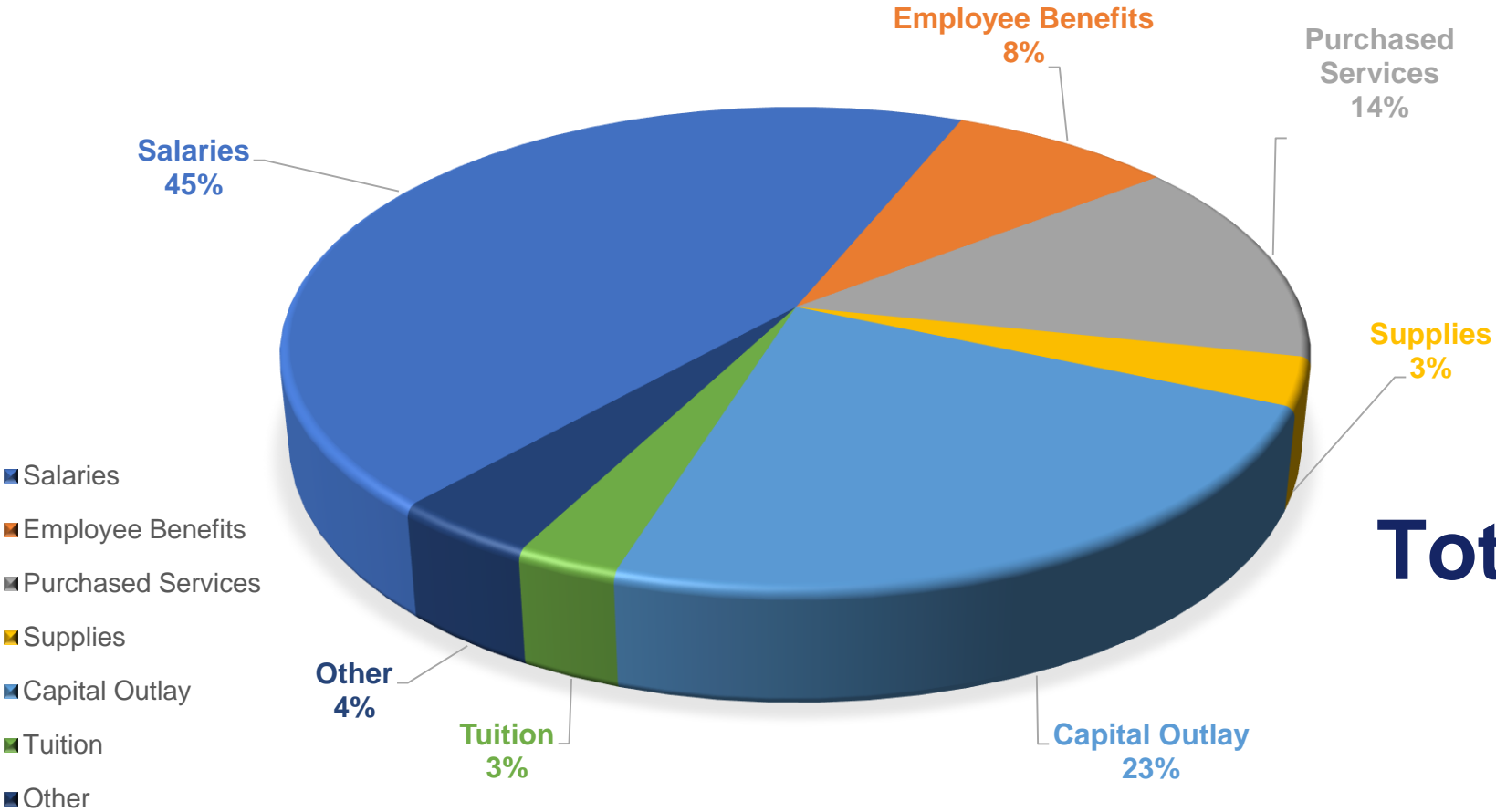
Mission Statement

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 2020 Recap



Expenditures Sources: FY 2020 Recap



Total Expenditures
\$100,181,119

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

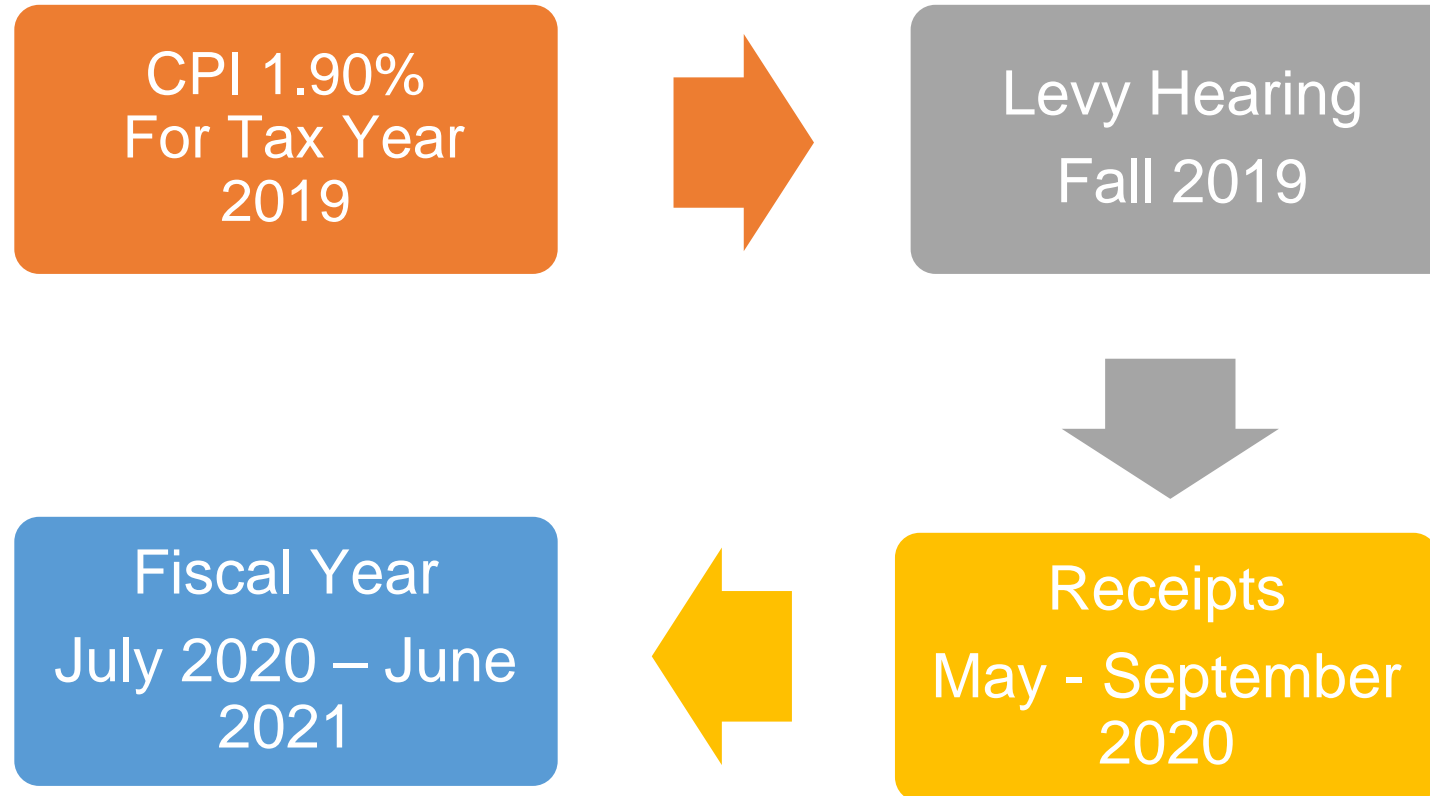


- The final levy amount and related tax rate (or extension) are determined by the Lake County Clerk's office based on the requested amounts, after applying PTELL reductions (tax cap law).
- PTELL limits an amount of increase in taxes from year to year to the lesser of 5% or the prior year CPI, plus the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

Levy – General Information

- A minimum of 20 days between the presentation of a tentative levy and it's 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.

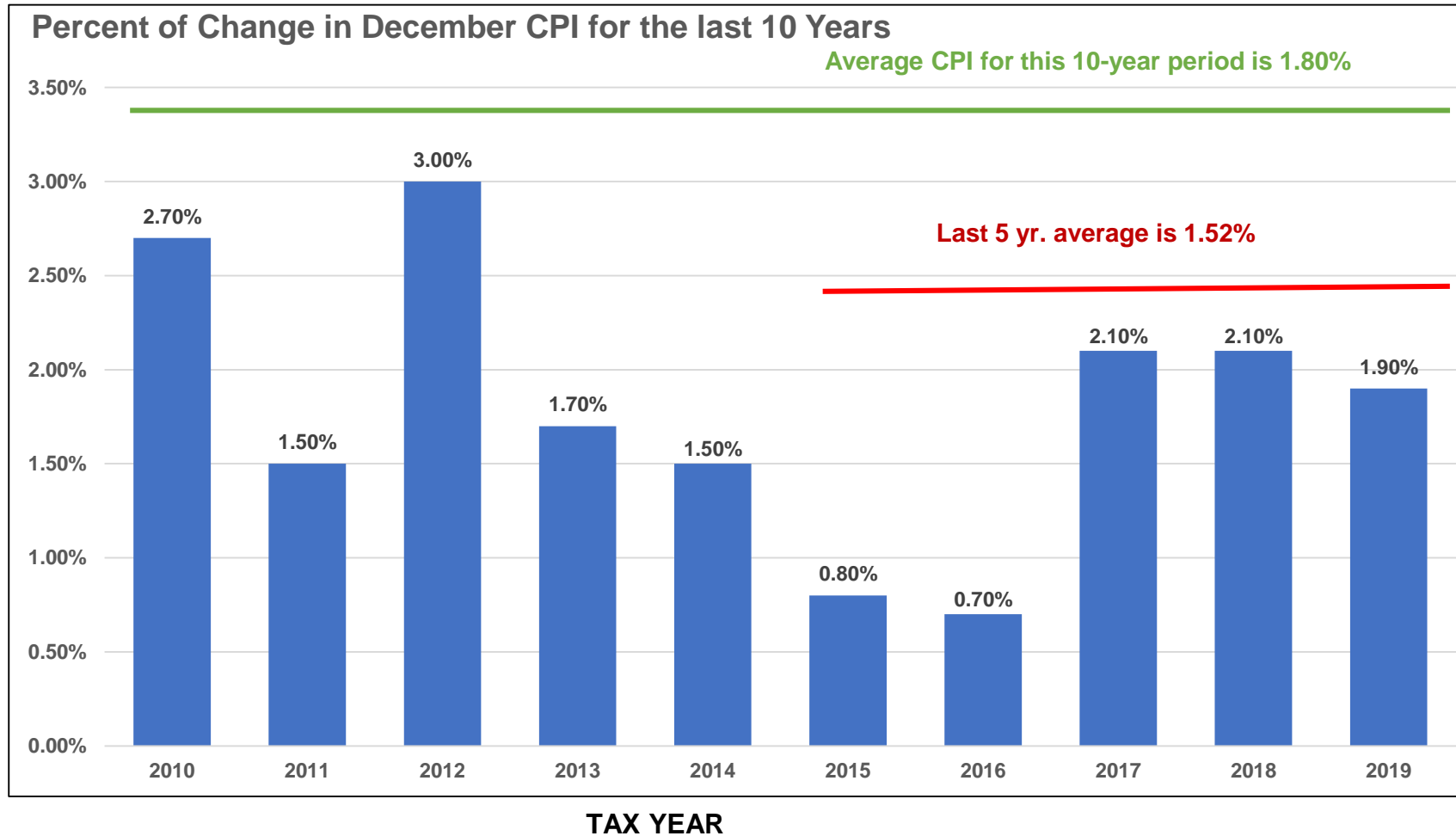
Levy Process Flow



2019 Levy Calculation

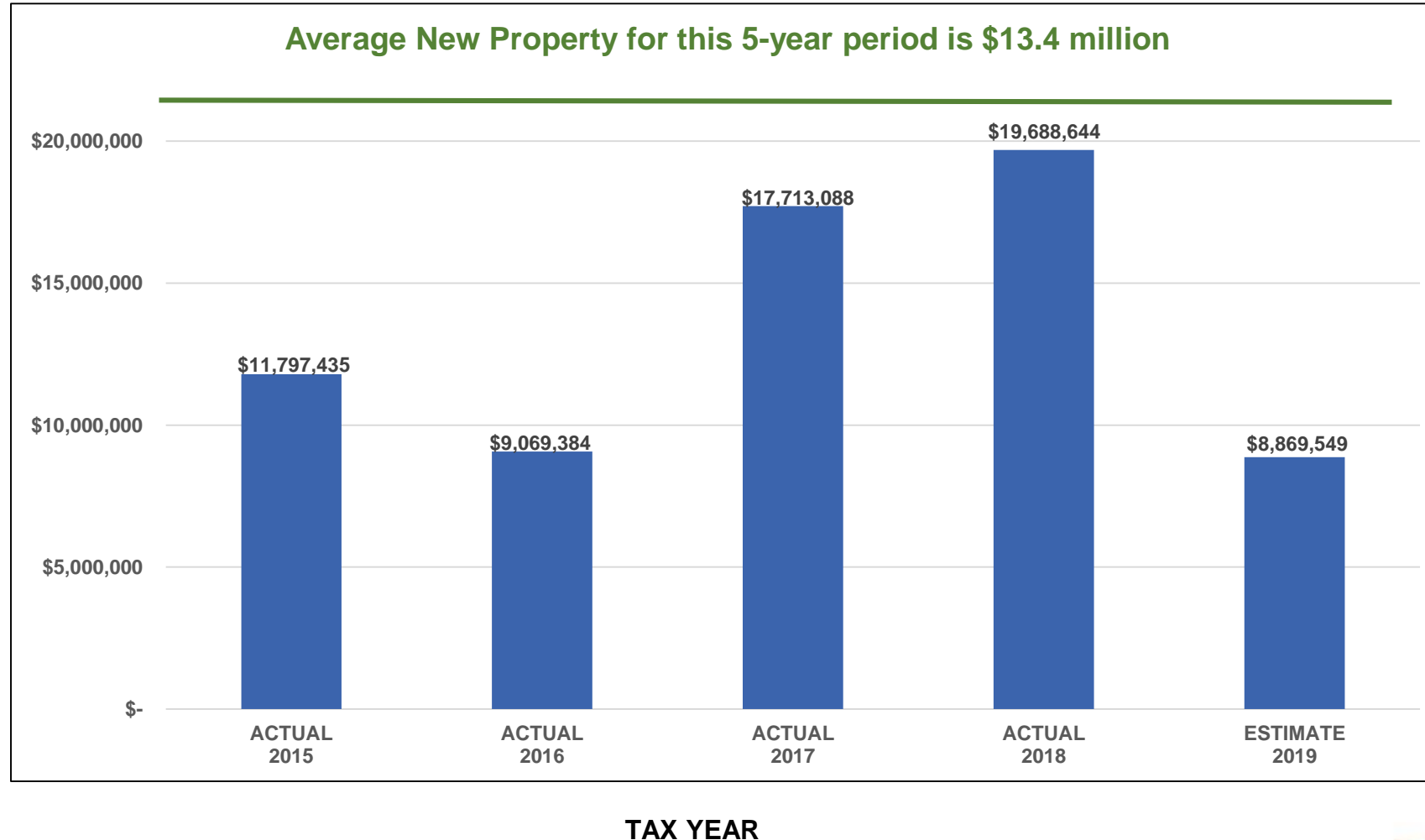
- Equalized Assessed Valuation of all property = \$2,471,368,826
- Prior Year Extension = \$72,005,975
- CPI = 1.90%
- In addition to getting tax revenue from existing property, we request additional taxes related to new property/new taxpayers. This is an estimate at the time of the levy.
- Estimated New Property = \$8.9 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 2019, is the rate used to cap our 2019 tax levy that we will collect in the calendar year 2020, to be used for the 2020-2021 school year.

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](#).

Expected Increase

- This levy represents a 3.50% 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

Property Tax Extension Limitation Law (PTELL)



- Why do we levy up to the PTELL Limit?
 - Majority of our expenditures increasing faster / linked to CPI (Salaries and Purchased Services Contracts)
 - 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: \$74.5 million
- What do we think we will get: \$73.6 million





Questions and Comments