

# 2024 Tentative Tax Levy

Homer CCSD 33C



# Timeline

October Board of Education Meeting (10/22/24)

Tentative Levy Presented at least 20 days prior to adoption

November Board of Education Meeting (11/19/24)

7:00pm - Adoption of Levy, and Levy Resolutions

Last Tuesday in December (12/31/2024)

Deadline for Levy to be Filed with County Clerk

# Definitions

## **PTELL(Property Tax Extension Limitation Law):**

Limits the extension increase to CPI or 5%, whichever is less.

## **CPI - specifically, CPI-U (Consumer Price Index for All Urban Consumers):**

The rate of inflation for the previous (2023) calendar year. The lesser of this amount (3.4%), or 5%, is used as the PTELL cap (%) for our extension collected during the (2025) calendar year.

**Limiting Rate:** The calculated total allowable tax rate for all funds limited under PTELL.

## **Bond and Interest Rate:**

The rate for bond and interest payments; this is in addition to the limiting rate, and OUTSIDE the PTELL limit.

**Levy:** Total taxes requested.

## **Extension:**

The amount of taxes calculated due by the clerk's office: total taxes billed. This is always LESS or EQUAL to the Levy amt.

## **Truth in Taxation:**

State law that requires public notice and hearing if the levy is expected to exceed 105% of the previous year's extension.

# Estimates

EAV = Estimate from County Supervisor of Assessments is **\$1,760,523,899** or a **22.32%** increase from last year's total EAV - this does not include new construction or exemptions; use 8%.

Total market value is 3X EAV, or \$ 5,281,571,697 using above number.

Estimated New Construction EAV from County Supervisor of Assessments: **\$ 22,274,536**; use \$22.5M.

Total new construction market value is: **\$66,823,608.**

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Since the limiting rate is based on the previous year's extension, underlevying based on incorrect estimates has a negative compounding effect year after year.

# Computing the Limiting Rate and Levy

Variables Needed:

**Prev Year's Capped Extension** (\$ 55,777,752 )

**CPI** (3.4%) - lesser of 3.4% CPI or 5%

**EAV Increase** (Unknown, only have estimates)

**New Construction** (Unknown, only have estimates)

Limiting Rate (LR) Computation:

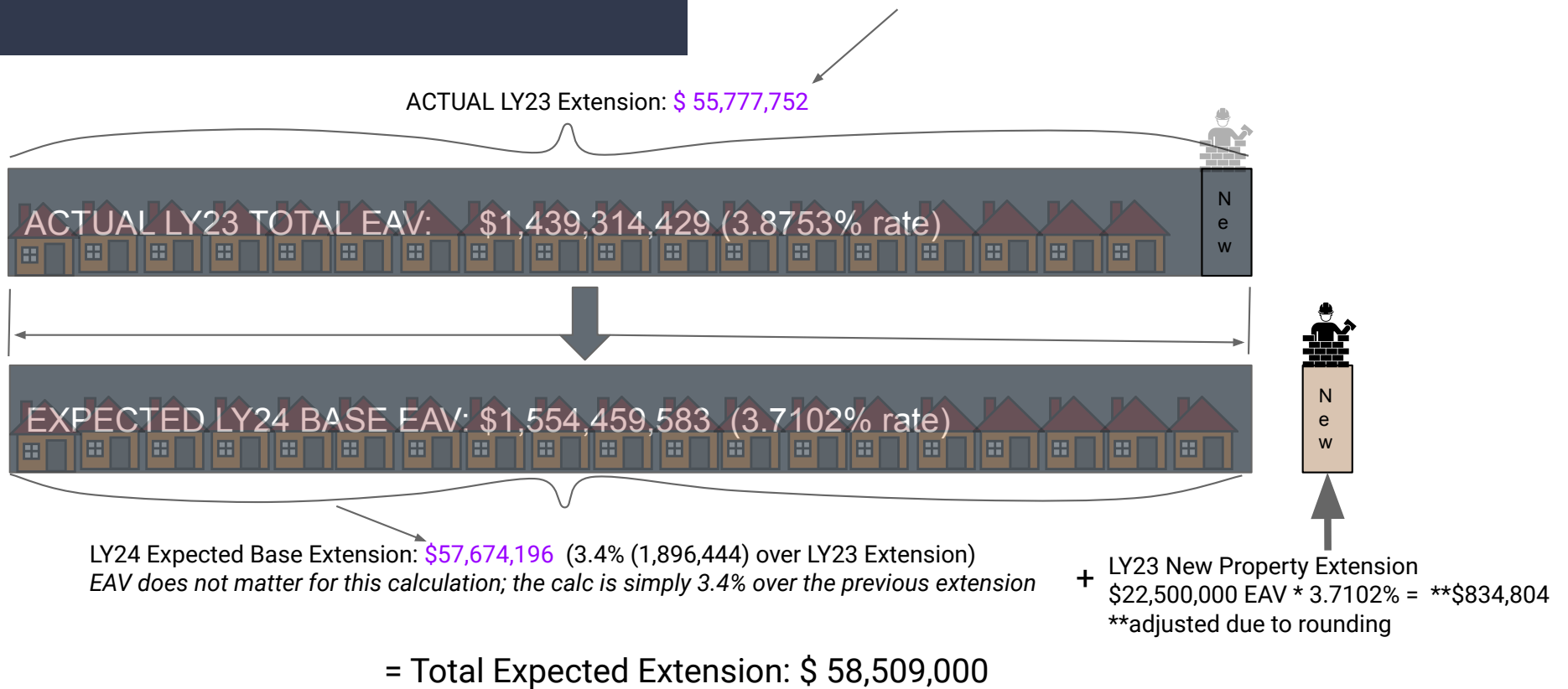
$$\text{LR} = \frac{\text{Prev Year's Extension} * (1 + \text{CPI})}{\text{New EAV} - \text{New Construction}}$$

*Limiting rate captures effect of new construction beyond CPI*

Aggregate Levy Computation:

$$\text{Total Levy Amount} = (\text{New EAV} * \text{LR}) + \text{B\&I Levy Amount}$$

# Effect of New Construction



# Effects of Estimates on the Levy – LY24

EAV Inc	18,500,000	20,500,000	22,500,000	24,500,000	26,500,000
0%	58,415,502	58,495,643	58,575,784	58,655,925	58,736,067
1%	58,408,162	58,487,510	58,566,857	58,646,205	58,725,553
2%	58,400,966	58,479,536	58,558,106	58,636,676	58,715,246
3%	58,393,910	58,471,717	58,549,524	58,627,331	58,705,138
4%	58,386,990	58,464,049	58,541,108	58,618,166	58,695,225
5%	58,380,201	58,456,526	58,532,851	58,609,176	58,685,501
6%	58,373,541	58,449,146	58,524,751	58,600,356	58,675,961
7%	58,367,005	58,441,903	58,516,802	58,591,700	58,666,598
8%	58,360,590	58,434,795	58,509,000	58,583,205	58,657,409
9%	58,354,293	58,427,817	58,501,341	58,574,865	58,648,389
10%	58,348,110	58,420,966	58,493,822	58,566,677	58,639,533
11%	58,342,039	58,414,238	58,486,437	58,558,637	58,630,836

**Expected property tax extension approx: \$ 58,509,000**

Composed of last year's extension amount: \$55,777,752

Expected increase from LY23 due to CPI: \$ 1,896,444

Expected increase from LY23 due to new property : \$834,804

Levy amount requested: \$58,566,634

\$57,634 over expected extension

*Any amount in red requires Truth in Taxation actions*

# Allocating the Levy

<b>Amount of Levy</b>					
<b>Educational</b>	\$	<u>46,842,208</u>	<b>Fire Prevention &amp; Safety *</b>	\$	<u>0</u>
<b>Operations &amp; Maintenance</b>	\$	<u>7,884,138</u>	<b>Tort Immunity</b>	\$	<u>629,583</u>
<b>Transportation</b>	\$	<u>250,000</u>	<b>Special Education</b>	\$	<u>546,546</u>
<b>Working Cash</b>	\$	<u>0</u>	<b>Leasing</b>	\$	<u>0</u>
<b>Municipal Retirement</b>	\$	<u>1,259,167</u>		\$	<u>0</u>
<b>Social Security</b>	\$	<u>1,154,992</u>	<b>Other</b>	\$	<u>0</u>
			<b>Total Levy</b>	\$	<u>58,566,634</u>

Request: \$58,566,634

Expect: \$58,509,000

Individual levy amounts might still be adjusted prior to final levy.



# Tax Rate

Tax rate can be calculated once you know the levy amounts and the EAV by dividing the levy amount by the EAV to calculate the tax rate.

Assuming an estimated EAV increase of 8% to \$1,554,459,583 and new construction of \$22,500,000 - gives us a total 2022 estimated EAV: \$1,576,959,583 .

Total 2024 estimated capped extension: \$58,509,000

Limiting rate for capped funds: 3.7102%

Estimated non-capped Extension (B&I): 0

Estimated tax rate for non-capped funds: <0.0%

**Total Estimated Tax Rate: 3.7102%**

# District Portion of a Property Tax Bill

## Estimated Levy impact on a \$400,000 LY23 Home

	2023 Levy Actual	2024 Levy Estimated
Market Value	400,000	432,000 (+8%)
Assessment Level	33.3%	33.3%
Assessed Value -homestead exemption	133,333 -8,000	144,000 -8,000
Eq. Factor	1.0	1.0
EAV	125,333	136,000
Total Tax Rate	3.8766%	3.7102%
Est Tax Due	\$4,859	\$5,046
Change from last year		+\$187

Questions?

