



2022 Truth in Taxation Hearing

November 21, 2022

Tax Levy Timeline



October 24 th	Discussion on estimated tax levy and approval of resolution
November 7 th	Adoption of resolution on proposed levy
November 21st	Public Hearing
December 12th	Recommendation to adopt Certificate of Tax Levy and related documents
Spring 2023	Property values and tax rates finalized by County Clerks Property taxes extended to taxpayers

What is a Tax Levy?



■ A tax levy is...

- The amount of money a taxing body (in our case a school district) requests to be raised from property tax.
- Most importantly, the tax levy is an ESTIMATE.

■ A tax levy extension is...

- The actual dollar amount to be raised by property taxes.
- Calculated as follows: Levy extension = Prior year extension plus CPI increase (plus any new property).

■ School Districts receive...

- (a) no more than requested and (b) no more than entitled to by law.



What Factors are used to Calculate a Tax Levy?



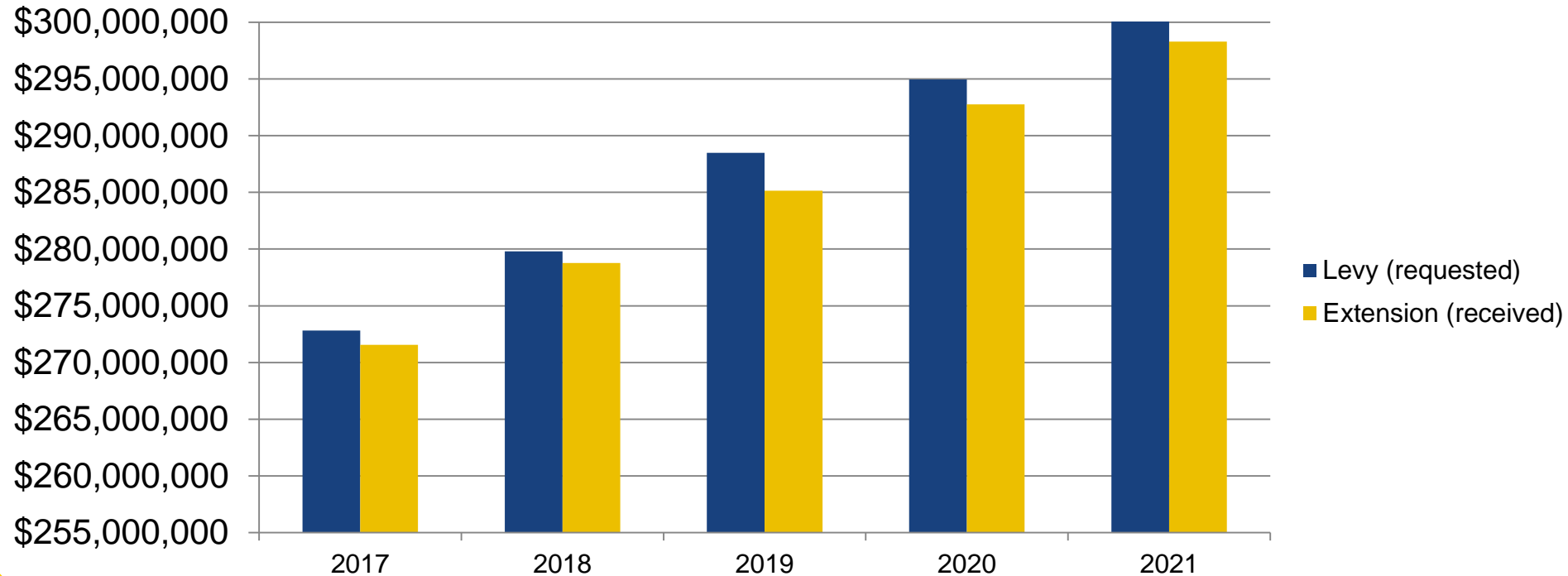
■ Known Factors

- ▶ 2021 Tax Extension (excluding bonds) = \$298,301,057
- ▶ Consumer Price Index (CPI) = 7.0% but capped at 5.0%
- ▶ Maximum Levy Extension (existing property) for 2022 = \$313,216,110

■ Unknown Factors

- ▶ New Equalized Assessed Valuation (EAV)
- ▶ New Limiting Rate
- ▶ New Property
- ▶ Expiring TIF's, Annexation, Exemptions, etc.

Tax Levy vs. Extension (what we ask for vs. what is billed to taxpayers)



Property Tax Extension Limitation Law (PTELL)



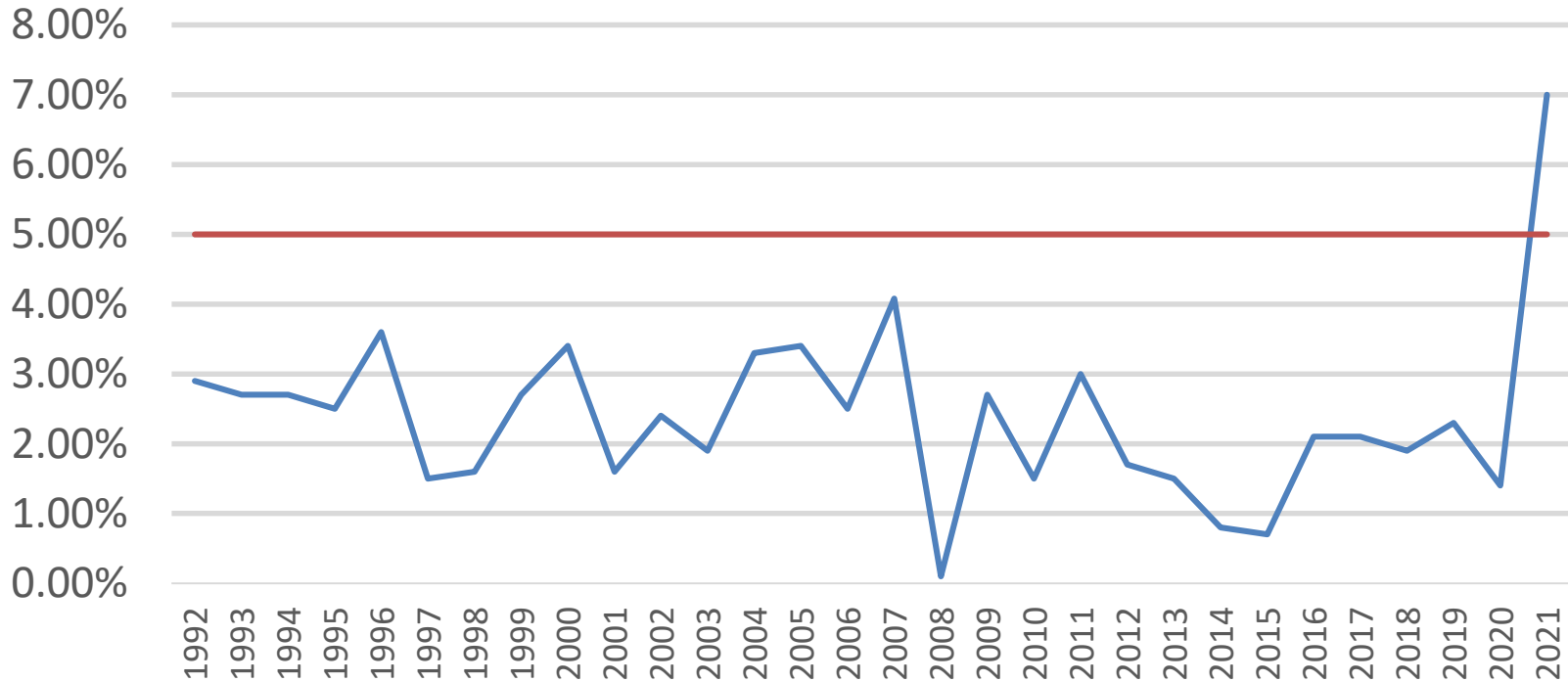
The Property Tax Extension Limitation Law limits the amount of taxes extended to the district by 5% or the Consumer Price Index (CPI), whichever is lower

- **The CPI to be used for the 2022 levy is 7%, so it will be capped at cap of 5%**
 - ▶ New Construction is not capped
 - ▶ Bond and interest payments are based on existing debt schedules

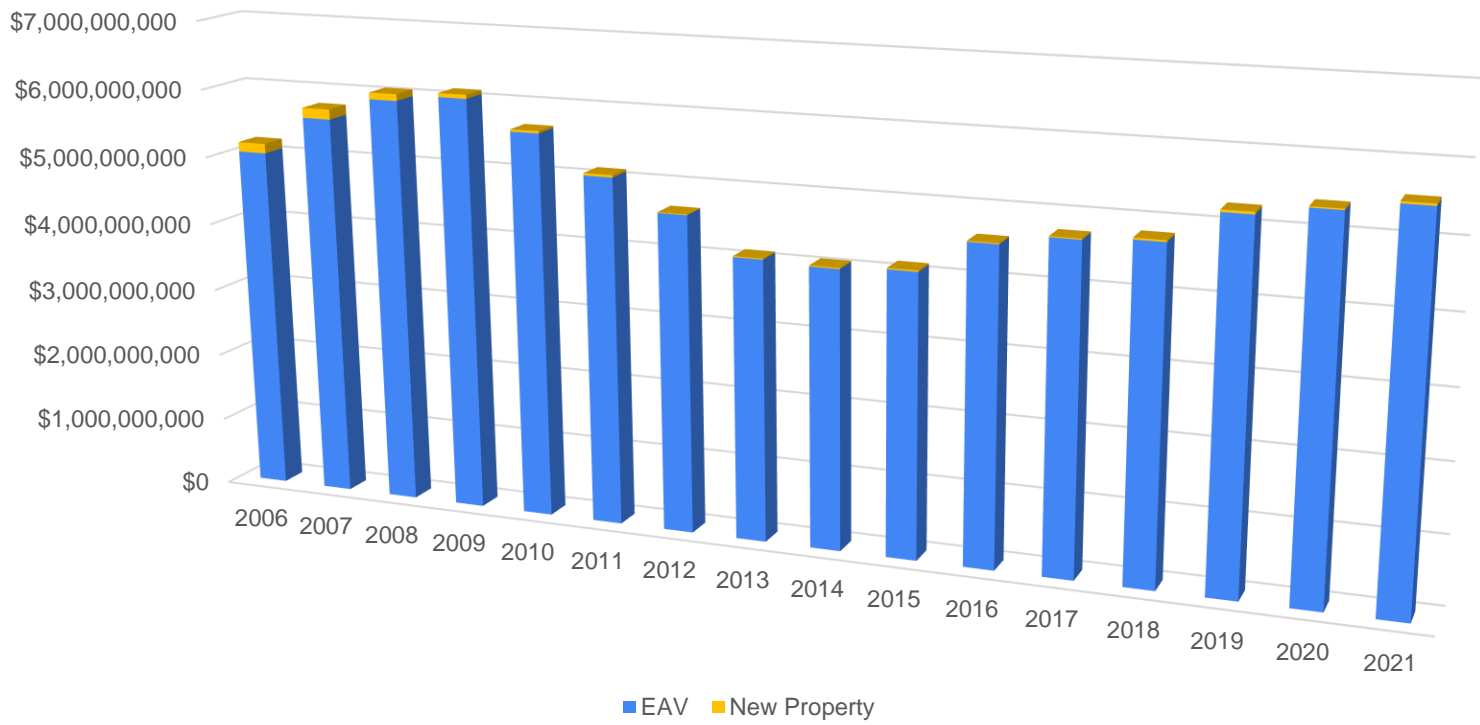
Historical CPI-U



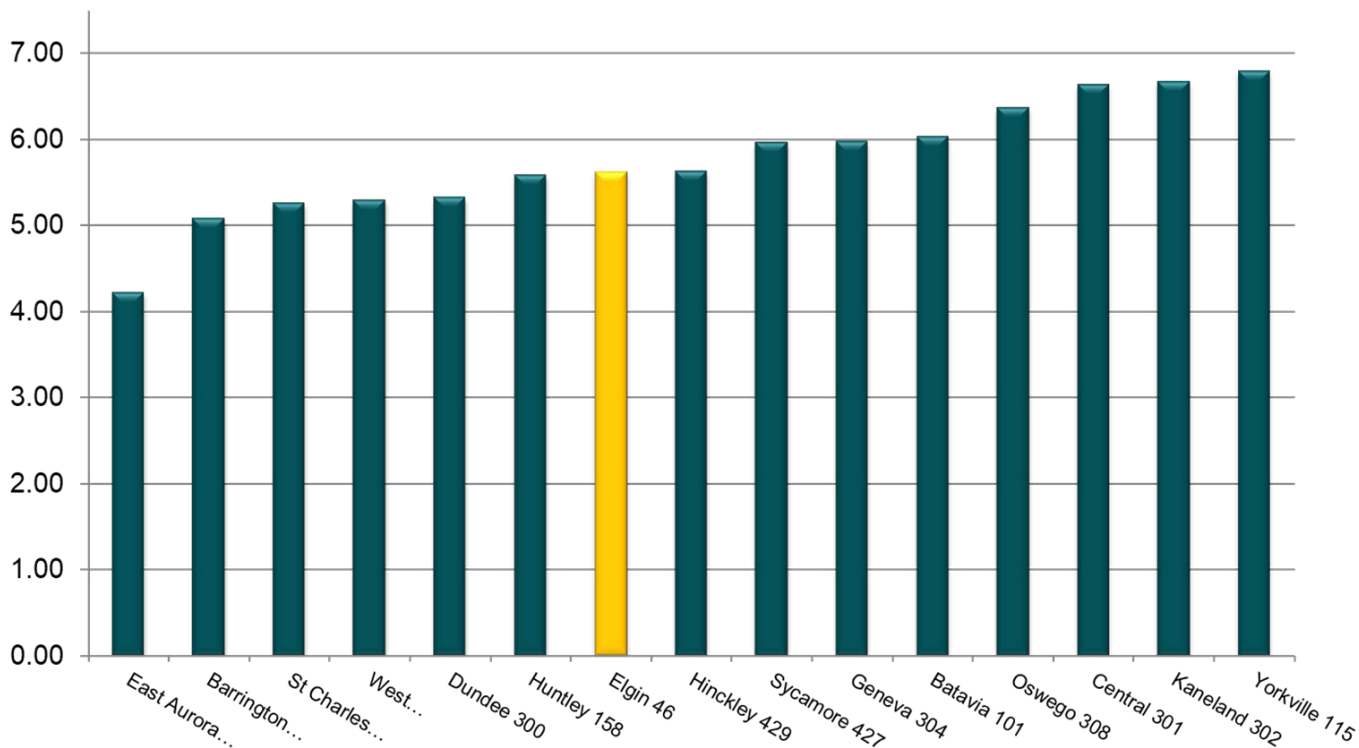
CPI-U % Change From Previous December



Equalized Assessed Valuation (EAV) and New Property



TAX RATE COMPARISON



Estimated Impact on Existing Homeowners

Estimated Home Value	Estimated 2021 tax bill	Estimated 2022 tax bill	Increase 5.0%
\$150,000	\$3,300	\$3,465	\$165
\$200,000	\$4,000	\$4,200	\$200
\$250,000	\$5,500	\$5,775	\$275
\$300,000	\$7,000	\$7,350	\$350
\$350,000	\$8,500	\$8,925	\$425
\$400,000	\$10,000	\$10,500	\$500



If the School District is only receiving a 5.0% increase, why did my tax bill increase at a much higher rate?

- Changes in property values
- Timing
- Overlapping taxing districts – School District U-46's tax base overlaps three counties, Cook (39%), Kane (38%) and DuPage (23%).

While individual tax bills increase at varying amounts, it's important to note that School District U-46 will receive an increase equal to the rate of inflation, which was capped at 5.0% for 2022.

(excludes new property)



Timing is Also a Factor



■ Estimated Equalized Assessed Valuation (EAV)

- Cook County property values are not determined when Kane and DuPage Counties prepare their tax bills therefore estimates are used to determine the total tax base for the district.
- Once Cook County finalizes their property values, Kane County does a prior year adjustment. This difference in timing could result in additional taxes (from 2021) being included in the 2022 tax bills for Kane and DuPage County residents. Adjustments are expected to be minimal.
- **UPDATE! Cook County issued 2nd installment tax bills for 2021 on November 15, 2022**



Unaudited Fund Balances as of June 30th 2022



Fund	Estimated Balance (Reserves)
Education	\$241,502,538
Operations and Maintenance	\$ 5,684,480
Debt Service	\$ 33,088,313
Transportation	\$ 29,559,582
IMRF/Social Security	\$ 11,960,760
Capital Projects	\$ 865,161
Developers Fees	\$ 3,877,642
Working Cash	\$113,304,140
Tort Immunity and Judgment	\$- 413,703
Fire Prevention and Safety	\$ 9,677,170
Total Fund Balance	\$449,106,083

2022 Proposed Levy (excluding Bond and Interest)



Educational Fund	\$205,502,604
Operations and Maintenance Fund	\$ 42,615,300
Transportation Fund	\$ 9,518,497
IMRF	\$ 2,555,481
Social Security	\$ 3,444,895
Life Safety Fund	\$ 5,271,693
Tort Fund	\$ 6,703,284
<u>Special Education</u>	<u>\$ 41,596,869</u>
Total Capped Tax Levy	\$317,208,623

U-46's 2022 Tax Levy



Although the District plans to request a 6.34% increase, the estimated increase to be received by the district is \$16,546,208 or 5.55%



The County Treasurers will reduce the amount requested so that it does not exceed a 5% (excluding new property) increase as required by law.



Questions or Concerns?

**For questions regarding the
District's tax levy, please contact
Dale Burnidge at
daleburnidge@u-46.org**

For questions regarding your property's individual
assessment, please contact your County
Assessor's Office

Kane County 630.208.3818
Cook County 312.443.7550
DuPage County 630.407.5858