



## 2011 Tax Levy Public Hearing



December 13, 2011

# Property Tax Cycle in Illinois

- ▶ **Step 1 – Assessment:** Establishes value of the property for tax purposes
- ▶ **Step 2 – Review**
- ▶ **Step 3 – Equalization process:** Establishes multiplier
- ▶ **Step 4 – Levy Process**
- ▶ **Step 5 – Extension**
- ▶ **Step 6 – Collection and Distribution**

# Property Assessments in Cook County

- ▶ Cook County Board of Commissioners in 2008 revised the County's property assessment classification.
- ▶ Residential properties from 16% to **10%** for most properties. Commercial from 38% to **25%**. Industrial from 36% to **25%**.

# Revenue

## Local

96.31% of the total budget, primarily property taxes.

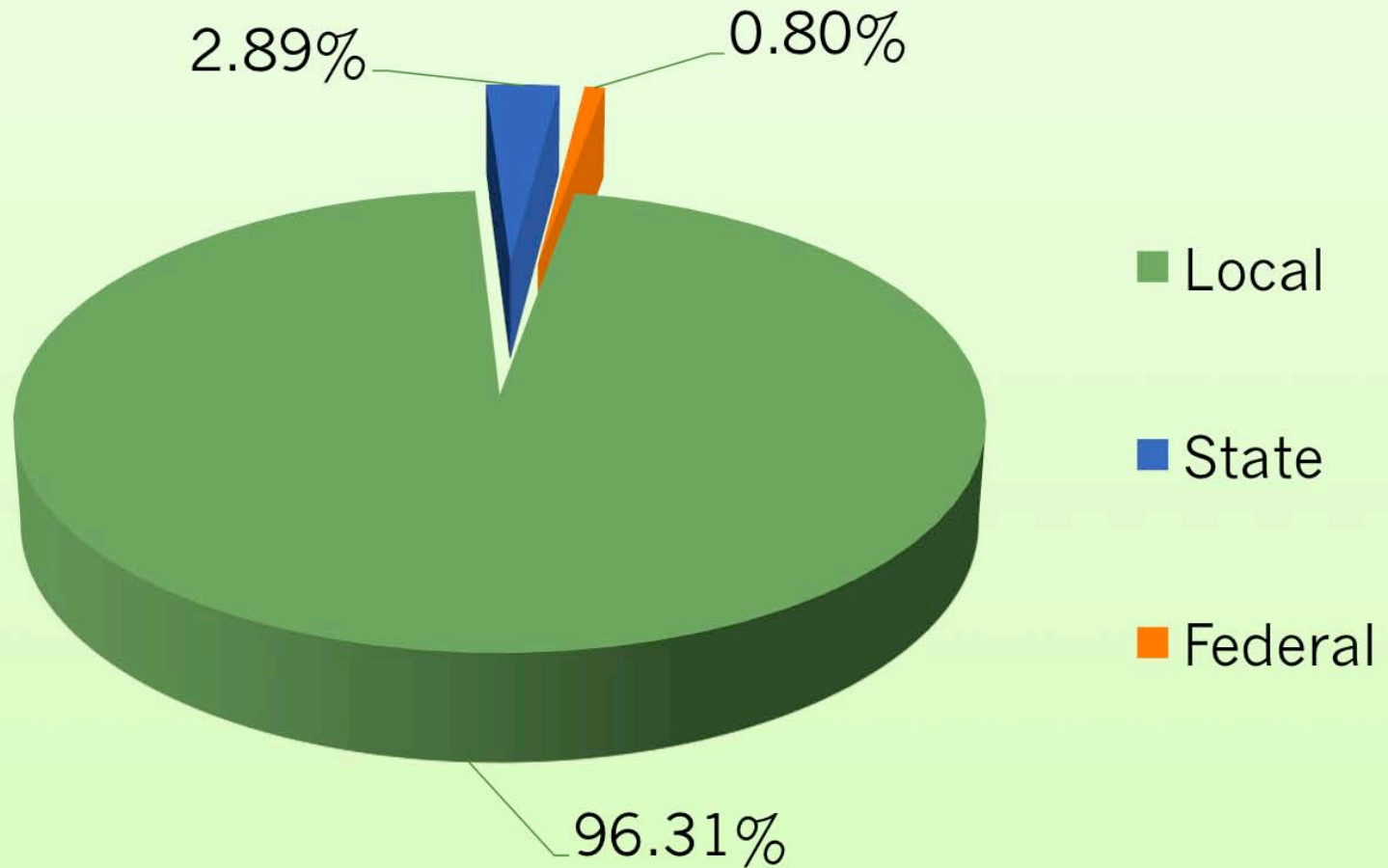
## State

2.89% from general state aid, categorical grants, and transportation reimbursement.

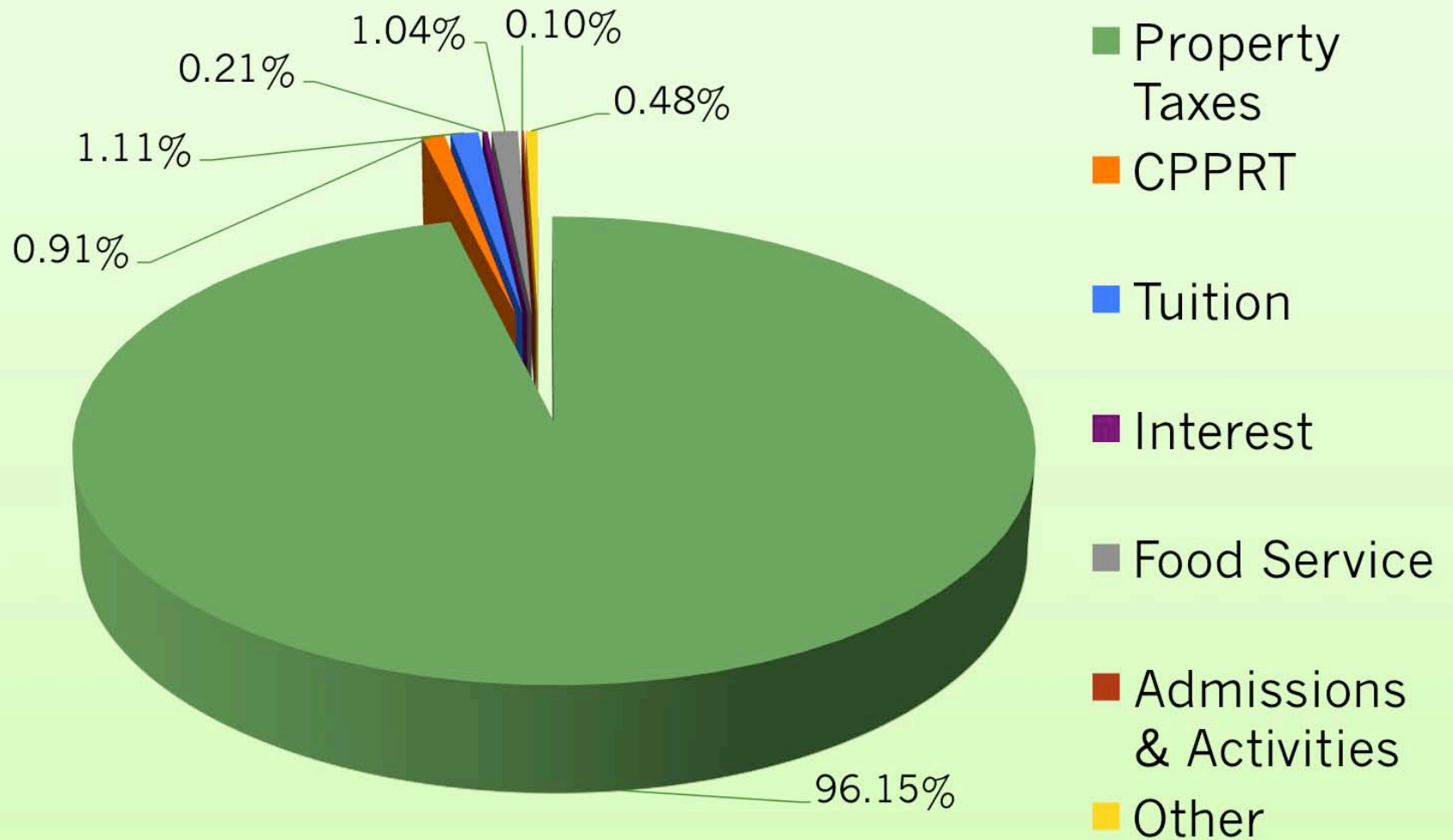
## Federal

0.80% from federal entitlement grants and special education reimbursements.

# Revenue by Source - All Funds



# Local Revenue by Type – Education Fund



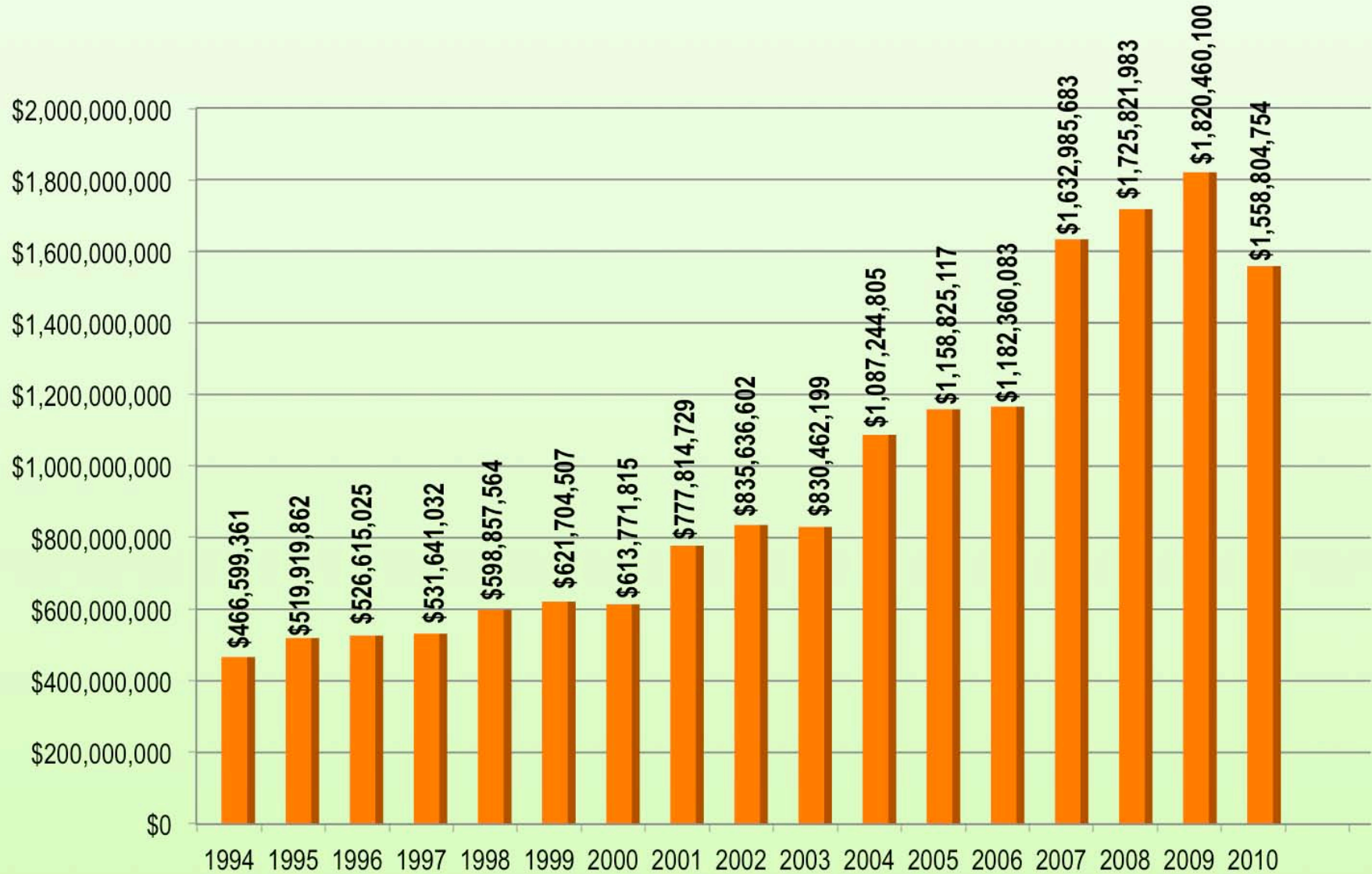
# Definitions

- ▶ **Levy** – Dollars raised from property taxes
- ▶ **Certificate of Levy** – Lists the amount of taxes requested in the levy; filed annually with the Cook County Clerk
- ▶ **EAV** – Taxable value of all property
- ▶ **Limiting Tax Rate** – Set by the County Clerk after applying the tax cap to the levy. Rate is individually calculated by dividing the levy by the EAV. If the rate exceeds authorized amount, the clerk applies the maximum rate and the District receives less money
- ▶ **Maximum Tax Rate** – Limited by State law for specific levies (purposes)
  - ▶ Current limited tax rate is \$2.134
  - ▶ Rate with bonds is \$2.432
- ▶ **Extension** – Tax dollars billed after the County Clerk has applied the limiting rate on each fund.

# Establishing the Levy

- ▶ Function of Assessed Valuation
- ▶ Previous Year's Levy
- ▶ New Growth
- ▶ Consumer Price Index

# History of Equalized Assessed Valuation



# New Property History



## History of Consumer Price Index



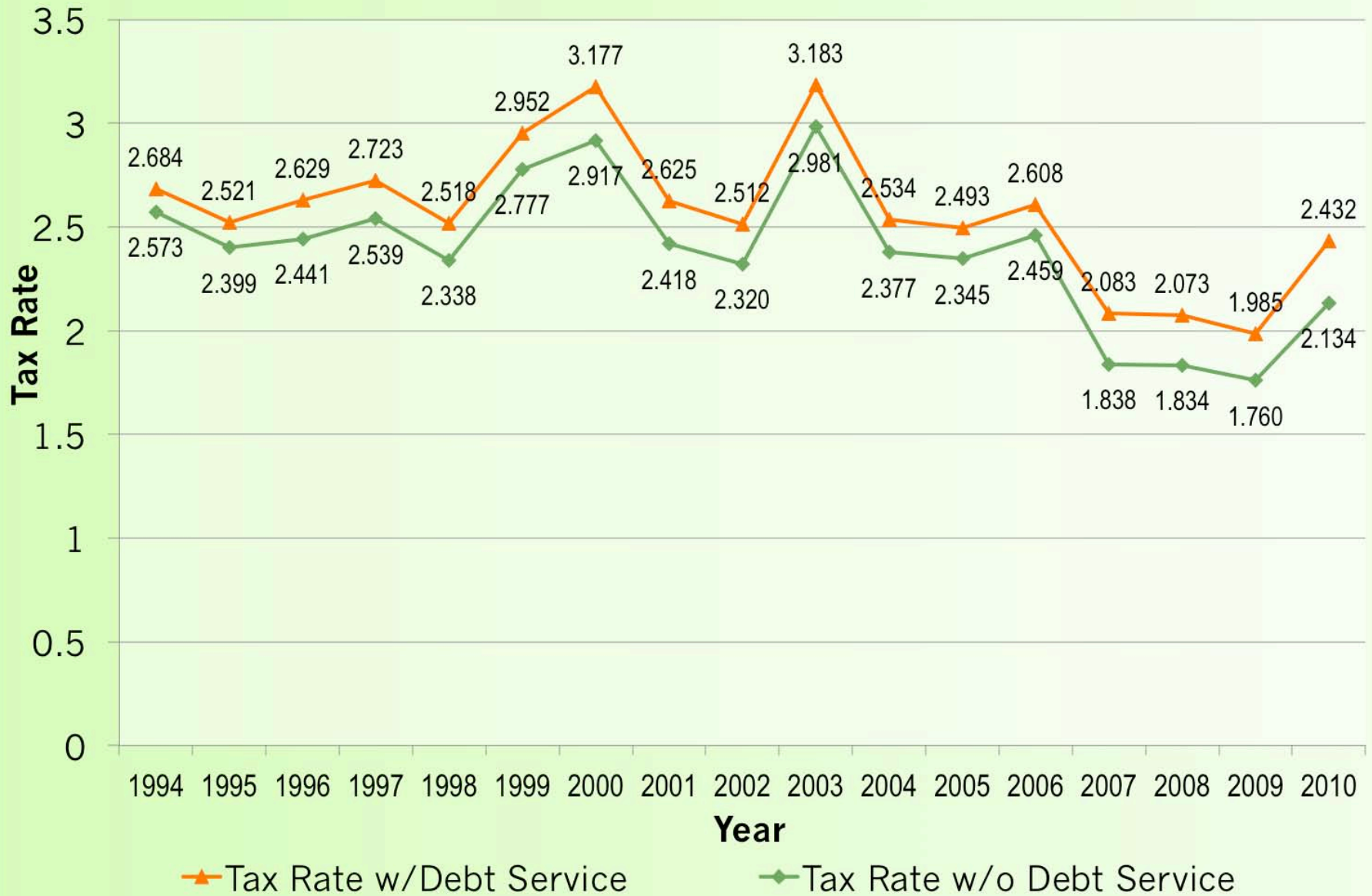
# Cook County Multiplier

- ▶ Established by the Illinois Department of Revenue
- ▶ Three-year average of actual sales prices to values by the county assessor and adjusted by the Board of Review

## Cook County Equalization Factor/Multiplier



# Tax Rate History



# Tax Levy Recommendation

- ▶ Present EAV – \$1,558,804,754
- ▶ New growth estimated at \$16,000,000
- ▶ Consumer Price Index (CPI) at 1.5%

$$\frac{\text{Tax Rate} \times \text{EAV}}{100} = \text{Levy}$$

# Limiting Rate

$$\frac{2010 \text{ Extension} \times \text{Tax Cap} \times 100}{2011 \text{ EAV} - \text{New Property}}$$

$$\frac{\$33,254,336 \times 1.015 \times 100}{\$1,707,303,158 - \$16,000,000}$$

**Result: Limiting Rate is \$1.996**

2010 Levy			2011 Levy		
					**
<u>Fund</u>	<u>Extension</u>	<u>Rate</u>	<u>Fund</u>	<u>Levy</u>	<u>Tentative Rate</u>
Education	\$27,764,950	1.7812	Education	\$29,000,000	1.6575
Liability (Tort)	\$104,412	0.0067	Liability (Tort)	\$104,000	0.0059
Building	\$4,280,704	0.2746	Building	\$4,500,000	0.2572
Transportation	\$242,614	0.0156	Transportation	\$250,000	0.0143
IMRF	\$445,503	0.0286	IMRF	\$545,000	0.0312
Social Security	\$414,099	0.0266	Social Security	\$515,000	0.0294
Working Cash	\$2,054	0.0001	Working Cash	\$2,000	0.0001
Total Less Bonds	\$33,254,336	\$2.134	Total Less Bonds	\$34,916,000	1.996
Bonds	\$4,654,882	0.2986	Bonds (Estimate)	\$4,607,130	0.283
Grand Total	\$37,909,218	2.4320	Grand Total	\$39,523,130	2.279
Actual EAV	\$1,558,804,754		Projected EAV		\$1,707,303,158
			** Based on Levy Assumptions		

# This Year's Tax Levy

- ▶ Anticipated extension – \$818,125
- ▶ Without new growth – \$498,815
- ▶ Protects the District if assessed valuation drops to \$1,250,000,000 or increases to \$2,000,000,000
- ▶ Follows all of the provisions of Truth in Taxation for full transparency

