



# **Property Taxes 101 and the Tax Levy**

October 23, 2017

# Property Tax Terms

- 
- ❖ Tax Levy
  - ❖ Assessed Valuation (AV)
  - ❖ State Equalizer (Multiplier)
  - ❖ Exemptions
    - Homestead
    - Senior Citizen
    - Disabled Individuals
    - Veterans
  - ❖ Equalized Assessed Valuation (EAV)
  - ❖ Tax Rate =  $\frac{\text{Prior Year Extension} \times \text{CPI-U}}{\text{Current Year EAV} - \text{New Property}}$
  - ❖ Tax Extension = District's EAV x Tax Rate

# What elements of the tax bill are outside the District's control?

- 
- Assessed valuation - controlled by Cook County Assessor
  - Assessment Level -
    - 10% Residential
    - 25% Commercial or Industrial
  - State Equalizer (Multiplier) - Determined by the Illinois Department of Revenue. Designed to equalize property in a County at 33 ⅓% of fair market value. In Cook County equalization factor is around 3, other counties' factor is around 1 because all properties are assessed at 33 ⅓%

# What elements of the tax bill are outside the District's control?

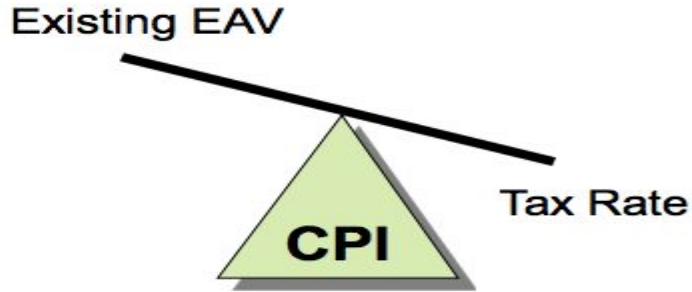
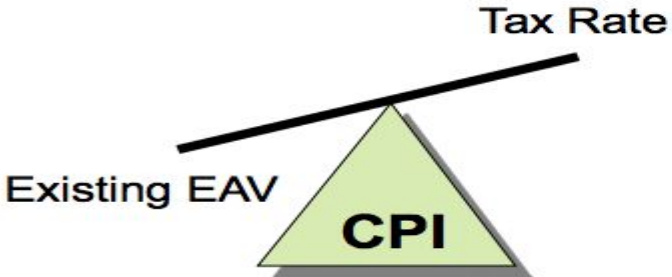
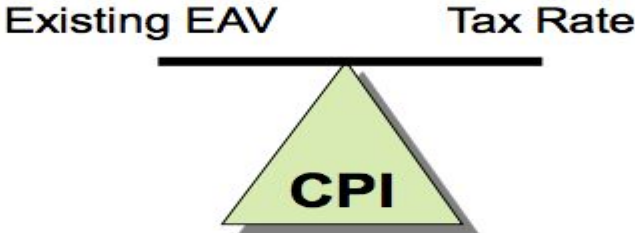
- 
- Exemptions - Illinois Law
  - Equalized Assessed Valuation
  - CPI-U

**What elements  
of the tax bill  
does the District  
control?**

---

The total amount requested from  
all taxpayers. (Tax Levy)

# EAV Change, CPI and Tax Rate



# D64 - Tax Rate Relationship to EAV

Tax Year	SD Total EAV	SD Total EAV Difference	SD Total Tax Extension	New Property	CPI	% increase in SD Total Extension	SD Rate
2012	1,705,216,205	-7.48%	\$ 62,393,860.94		3.00%		3.659
2013 (Tri)	1,399,438,847	-17.93%	\$ 63,982,344.08	0.85%	1.70%	2.55%	4.572
2014	1,414,256,518	1.06%	\$ 65,197,225.48	0.40%	1.50%	1.90%	4.610
2015	1,371,795,137	-3.00%	\$ 65,681,551.16	0.00%	0.80%	0.74%	4.788
2016 (Tri)	1,638,658,393	19.45%	\$ 66,201,799.08	0.09%	0.70%	0.79%	4.040
AV - Assessed Value (33.33 of Market Value)							
IDOR EQ - Illinois Department of Revenue Equalizer							
EAV - Property Equalized Assessed Value							
SD - School District							
CPI- Consumer Price Index							

# Five-Year History of a Home in D64

Tax Year	Property AV	IDOR EQ	Exemptions	Property EAV	SD Rate	Property SD Tax	Property Total Tax	SD % of Total	% difference in property EAV	% difference in Property SD Tax
2012	80,430	2.8056	7,000	218,654	3.659	\$8,000.55	\$ 19,060.07	41.98%		
2013 (Tri)	71,973	2.6621	7,000	184,599	4.572	\$8,439.87	\$ 19,859.16	42.50%	-15.57%	5.49%
2014	71,973	2.7253	7,000	189,148	4.610	\$8,719.72	\$ 20,984.08	41.55%	2.46%	3.32%
2015	71,973	2.6685	7,000	185,060	4.788	\$8,860.67	\$ 21,389.23	41.43%	-2.16%	1.62%
2016 (Tri)	72,450	2.8032	7,000	196,092	4.040	\$7,922.12	\$ 19,193.48	41.28%	5.96%	-10.59%
AV - Assessed Value (33.33 of Market Value)										
IDOR EQ - Illinois Department of Revenue Equalizer										
EAV - Property Equalized Assessed Value										
SD Rate - School District Rate										



# Relationship of Homeowners' EAV to District EAV

- ❖ Total taxable value of D64 increased by 19.45% inclusive of 5% increase in the Illinois Department of Revenue Equalization Factor
- ❖ If Homeowner's EAV increased by **More** than 19.45%, homeowner will pay a larger burden of the tax bill to all taxing bodies.
- ❖ If Homeowner's EAV was **Less** than 19.45%, homeowner will pay a smaller burden of the tax bill to all taxing bodies.
- ❖ If other residents successfully protest their reassessment, they will pay less of the tax burden.
  - The tax burden will be shifted to the remaining taxpayers.
  - The “pie” does not get any smaller, it is simply reallocated.

# Relationship of Homeowners' EAV to District EAV

Estimate by:	Tax Year	Property AV	IDOR EQ	Exemptions	Property EAV	SD Rate	Property SD Tax	Property Total Tax	SD % of Total	% difference in property EAV	% difference in Property SD Tax
10% Increase in EAV	2016 (Tri)	75,116	2.8032	7,000	203,566	4.04	\$8,224.07	\$19,925.04	41.28%	10.00%	-7.18%
19.45% Increase in EAV	2016 (Tri)	81,355	2.8032	7,000	221,054	4.04	\$8,930.59	\$21,636.78	41.28%	19.45%	0.79%
30% Increase in EAV	2016 (Tri)	88,320	2.8032	7,000	240,578	4.04	\$9,719.35	\$23,547.77	41.28%	30.00%	9.69%

# Comparing Des Plaines 62 to Park Ridge 64

District	Total Valuation	Residential Valuation		Farm Valuation	Commercial Valuation	Industrial Valuation	Railroad Valuation
		10%		State Assessed	25%	25%	State Assessed
DesPlaines 62	\$ 1,718,085,335	\$ 893,099,327		\$ 126,026	\$ 181,084,394	\$ 289,674,154	\$ 5,454,359
Park Ridge-Niles 64	\$ 1,638,658,393	\$ 1,455,414,724		\$ -	\$ 529,731	\$ 836,442	\$ 1,322,833
District	Total Tax Amount	Residential Tax Amount		Farm Tax Amount	Commercial Tax Amount	Industrial Tax Amount	Railroad Tax Amount
DesPlaines 62	\$ 67,366,126	\$ 35,018,425	51.98%	\$ 4,941	\$ 20,770,771	\$ 11,358,124	\$ 213,865
Park Ridge-Niles 64	\$ 66,201,799	\$ 58,798,755	88.82%	\$ -	\$ 7,315,810	\$ 33,792	\$ -

# 10 Year Look Back at Collection Rates

Tax Year	Real Estate Collections	Real Estate Refunds	Railroad Collections	Total Received	% Received
2006	\$ 49,015,149	\$ (935,491)	\$ 11,803	\$ 48,091,461	98.12%
2007	\$ 56,097,567	\$ (1,500,741)	\$ 12,228	\$ 54,609,053	97.35%
2008	\$ 56,946,822	\$ (1,254,827)	\$ 12,578	\$ 55,704,574	97.82%
2009	\$ 57,407,244	\$ (1,268,226)	\$ 23,603	\$ 56,162,621	97.83%
2010	\$ 59,480,693	\$ (1,127,653)	\$ 20,723	\$ 58,373,764	98.14%
2011	\$ 60,521,294	\$ (951,648)	\$ 24,500	\$ 59,594,147	98.47%
2012	\$ 62,361,850	\$ (887,544)	\$ 30,841	\$ 61,505,147	98.63%
2013	\$ 63,933,599	\$ (1,074,446)	\$ 47,537	\$ 62,906,691	98.39%
2014	\$ 65,147,257	\$ (709,985)	\$ 49,969	\$ 64,487,240	98.99%
H	\$ 65,618,248	\$ (556,540)	\$ 62,253	\$ 65,123,962	99.25%
<b>Average % Received</b>	<b>\$ 596,529,723</b>	<b>\$ (10,267,100)</b>	<b>\$ 296,035</b>	<b>\$586,558,659</b>	<b>98.33%</b>
<b>Average R.E. Refunds</b>		<b>\$ (1,026,710)</b>			

# Lost & Cost

LIMITING RATE CALCULATION FOR 2016 TAX LEVY							
			2016 Equalized Assessed Valuation				
2015 Aggregate Extension	\$ 62,361,806		\$ 1,638,658,393				
X CPI-U	1.007		\$ (11,969,943)	Minus New Construction			Limiting Rate
2016 Extension	\$ 62,798,339	Divided by	\$ 1,626,688,450	EQUALS ----->			3.861

# Lost & Cost Operating Funds

Fund Number	Fund	Requested Levy Amount	Lost & Cost	Total Levy	Tax Rate Ceiling	Maximum Allowable Levy	Preliminary Tax Rate	PTELL Reduction	Actual Levy	Final Tax Rate
			3%							
Fund 50	IMRF	\$ 875,000	\$ 26,250	\$ 901,250	0.0000	\$ 901,250	0.0550		\$ 901,250	0.0550
Fund 51	Social Security	\$ 1,625,000	\$ 48,750	\$ 1,673,750	0.0000	\$ 1,673,750	0.1021		\$ 1,673,750	0.1021
Fund 80	Liability Insurance	\$ 400,000	\$ 12,000	\$ 412,000	0.0000	\$ 412,000	0.0251		\$ 412,000	0.0251
Fund 40	Transportation	\$ 3,500,000	\$ 105,000	\$ 3,605,000	0.0000	\$ 3,605,000	0.2200		\$ 3,605,000	0.2200
Fund 10	Education	\$47,397,542	\$ 1,421,926	\$ 48,819,468	3.5000	\$ 48,431,778	2.9556	\$(3,654,208)	\$ 44,777,570	2.7326
Fund 20	Building (O&M)	\$ 6,000,000	\$ 180,000	\$ 6,180,000	0.5500	\$ 6,180,000	0.3771		\$ 6,180,000	0.3771
Fund 70	Working Cash	\$ 550,000	\$ 16,500	\$ 566,500	0.0500	\$ 566,500	0.0346		\$ 566,500	0.0346
Fund 10	Special Education	\$ 5,000,000	\$ 150,000	\$ 5,150,000	0.4000	\$ 5,150,000	0.3143		\$ 5,150,000	0.3143
<b>Total Cap Funds</b>		<b>\$65,347,542</b>	<b>\$ 1,960,426</b>	<b>\$ 67,307,968</b>		<b>\$ 66,920,278</b>	<b>4.0838</b>	<b>\$(3,654,208)</b>	<b>\$ 63,266,070</b>	<b>3.861</b>

# Lost & Cost - Debt Service

## Levy Calculated by Cook County Clerks Office for Bonds

			5%				
Fund 30	Limited Bonds	\$ 1,981,685	\$ 99,084	\$ 2,080,769	0.0000	\$ 2,080,769	0.1270
Fund 30	Building Bonds	\$ 810,400	\$ 40,520	\$ 850,920	0.0000	\$ 850,920	0.0519
<b>Total Non Cap Funds</b>		<b>\$ 2,792,085</b>	<b>\$ 139,604</b>	<b>\$ 2,931,689</b>	<b>\$ -</b>	<b>\$ 2,931,689</b>	<b>0.1789</b>