



West Chicago School District 33
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December 2020 Property Tax Levy

Explanation of Levy process

1. Definitions:

PTELL- Property Tax Extension Limitation Law- see explanation below

EAV- Equalized Assessed Value i.e. Property Wealth

Property Tax Levy- the amount of Property Tax dollars REQUESTED by the school district from the County Clerk's office each December.

Tax Extension- the amount of Property Tax dollars ACTUALLY RECEIVED by the school district after PTELL, final EAV, and new construction is calculated, usually determined the following March, and received the following June and September.

Property Tax Abatement- a request to the County Clerk by the school district's BOE to extend a lesser amount to the school district than what it is allowed to receive i.e. reducing the Property Tax Extension amount received by the school district in March. This is usually done in February.

2. The annual Property Tax Levy is a request from the DuPage County Clerk for needed Property Tax revenue for the upcoming school year in order for the school district to operate. Property Tax dollars supplement those dollars coming from State (Evidence-Based Funding) money and Federal grant money. For the 2019-20 school year, approximately 46% of D33 revenues were from Local funds i.e. mostly Property Taxes, 45% were from State funds, and 9.0% were from Federal grant funds. The December 2020 Levy generates the March 2021 Tax Extension. The March 2021 Extension money is then received in June and September 2021. In essence, a school district is requesting money in December 2020 for the 2021-22 school year. Property Tax money, plus State and Federal money, make up over 95% of a school district's revenue. The rest comes from Corporate Personal Property Replacement Tax (business income tax) plus student fees.

3. The calculation of the Property Tax Levy is based on past dollars received (last year's tax extension) plus CPI (inflation), plus an allowance for new construction (potential new residents). A school district is limited in the amount of Property Tax revenue that it can receive from year to year regardless of whether local property assessment values (EAV- Equalized Assessed Value) go up or down. This is the Property Tax Extension Limitation Law (PTELL). It limits revenue increases from year to year to 5.0% or CPI, whichever is less, plus an allowance for new construction. This year's CPI is 2.3%.

4. Almost all school districts in IL will do what is called a "balloon" Levy, where the district levies more than the CPI increase over the previous year's extension. The reason for this is that final EAV and new construction numbers are not available from the assessor's office until after January 1, but the Levy must be filed by the last Tuesday in December. The balloon Levy allows the district to make sure it captures available Property Tax money from the final EAV and new construction amounts even though final amounts are not yet known. If the school district levies more than a 5% increase (105%) over last year's extension, they must publish a Truth in Taxation Certificate in the local newspaper and hold a Public Hearing at a Board meeting, also with advance notification, prior to approving the Levy.
If a school district "under-levies" and receives a tax extension less than what it is allowed to receive (last year's extension amount plus CPI plus new construction), then the new lower extension amount received acts as the "new" property tax revenue base going forward. Therefore, that year's Levy affects (penalizes) all future extensions going forward.

5. Last year, the BOE voted to approve a \$400,000 Property Tax Abatement in February, 2020. The previous year, in February 2019, the BOE approved a \$714,417 Property Tax Abatement. The previous year, in February 2018, the BOE approved a \$700,000 Property Tax Abatement.

Comparison of recent Levies and Extensions, not counting debt service:

March 2021 Extension (estimated) \$36,986,170 increase from previous year- 3.99%

December 2020 levy (proposed) \$37,343,355 increase from previous year- 3.67%

March 2020 Extension \$35,567,494

December 2019 Levy \$36,019,782

March 2019 Extension \$34,798,671

December 2018 Levy \$34,800,199

March 2018 Extension-	\$34,019,857
December 2017 Levy-	\$34,648,266
March 2017 Extension-	\$33,090,080
December 2016 Levy-	\$33,916,000
March 2016 Extension-	\$32,659,968
December 2015 Levy-	\$33,910,122
March 2015 Extension-	\$32,299,492
December 2014 Levy-	\$34,401,518