

WELCOME!

2009 JOINT TAX LEVY PRESENTATION FEATURING:

*LEMONT HIGH SCHOOL DISTRICT 210
LEMONT-BROMBEREK SCHOOL DISTRICT 113A
LEMONT FIRE PROTECTION DISTRICT
LEMONT PARK DISTRICT
LEMONT PUBLIC LIBRARY DISTRICT
LEMONT TOWNSHIP
VILLAGE OF LEMONT*

Monday, November 30, 2009 – Lemont Village Hall



Introduction

Presented by:

Lemont Park District

Why Are We Here?



- The goal of this evening's presentation is to help Lemont taxpayers understand the complexities of the tax levy process, including:
 - What You Can See on Your Tax Bill
 - What You DON'T See on Your Tax Bill
 - The Tax Levy
 - The Tax Cap
 - The Tax Equation
 - Property Tax Increases

Main Variables of the Tax Levy



- The assessment of your property (building and land)
- The rates (dollars) collected on the assessment of your property as it relates to the village/township/schools/park district/library/fire
 - ▣ Total EAV of taxing body
 - ▣ Your specific EAV as part of the entire taxing district
- PTELL limiting rate (i.e., the “Tax Cap”)



What You Can See on Your Tax Bill

Presented by:

Lemont Township

Terms and Definitions

- **Levy** – The amount of property tax dollars requested by a governmental agency.
- **EAV** – The value that the county assessor places on land that is taxable (residential and commercial), representing the total taxable value of the district.
- **Extension** – The taxes billed.
- **PTELL** – The Property Tax Extension Limitation Law, or “Tax Cap.” All property taxes are subject to the Tax Cap, except for bonds.
- **Rate Limit** – The limit expressed as the percentage of extension to EAV for a particular fund.

Terms and Definitions



- **Limiting Rate** – The limit expressed as the percentage of extension to EAV for all entities subject to the Tax Cap.
- **CPI** – The change in the Consumer Price Index (i.e., the cost of living) from the previous year.
- **Tax Rate** – Determined by dollars requested by governments and total EAV assessed.
- **Aggregate Extension** – The taxes subject to limitation by the Tax Cap.

Example of a Tax Bill

PAY ONLY THIS AMOUNT

\$ 3,854.68

BY 12/01/09 (on time)

2008 Second Installment Property Tax Bill

Property Index Number (PIN) 22-30-406-019-0000 Volume 062 Code 19006 Tax Year 2008 (Payable In) 2009 Township LEMONT

IF PAID LATE 12/02/09 - 01/01/10
\$ 3,912.50

IF PAID LATE 01/02/10 - 02/01/10
\$ 3,970.32

IF PAID LATE 02/02/10 - 03/01/10
\$ 4,028.14

TAX CALCULATOR

THANK YOU FOR YOUR FIRST INSTALLMENT PAYMENT OF:
\$ 3,737.21 ON 02-23-09

PAY THIS BILL AT COOKCOUNTYTREASURER.COM OR ANY CHASE BANK.

LATE PENALTY
IS 1.5% PER MONTH,
BY STATE LAW.

Property location and classification for this PIN

104 ██████████ LEMONT IL 60439 6499 Property Classification 2-78

Taxing District	2008 Tax	2008 Rate	2008 %	Pension	2007 Tax	2007 Rate
MISCELLANEOUS TAXES						
South Cook Mosquito Abatement	11.99	0.009	0.16%		7.34	0.006
Metro Water Reclamation District	335.64	0.252	4.42%	19.97	321.73	0.263
Lemont Fire District	839.10	0.630	11.05%	90.56	790.26	0.646
Lemont Public Library	179.81	0.135	2.37%	10.65	182.27	0.149
Lemont Park District	506.13	0.380	6.67%	33.29	521.13	0.426
Miscellaneous Taxes Total	1,872.67	1.406	24.67%		1,822.73	1.490
SCHOOL TAXES						
Joliet Community College Dist 525	251.73	0.189	3.32%	3.99	231.21	0.189
Lemont Twp High School District 210	1,959.24	1.471	25.81%	53.27	1,935.28	1.582
Combined School District No 113A	2,065.79	1.551	27.21%	57.27	2,035.59	1.664
School Taxes Total	4,276.76	3.211	56.34%		4,202.08	3.435
MUNICIPALITY/TOWNSHIP TAXES						
Village of Lemont	488.81	0.367	6.44%	209.10	492.99	0.403
Road & Bridge Lemont	106.55	0.080	1.40%		108.87	0.089
General Assistance Lemont	1.33	0.001	0.02%		2.45	0.002
Town Lemont	225.09	0.169	2.96%		220.20	0.180
Municipality/Township Taxes Total	821.78	0.617	10.82%		824.51	0.674
COOK COUNTY TAXES						
Cook County Forest Preserve District	67.93	0.051	0.89%	1.33	64.84	0.053
Consolidated Elections	0.00	0.000	0.00%		14.68	0.012
County of Cook	298.36	0.224	3.93%	91.90	227.52	0.186
Cook County Public Safety	139.85	0.105	1.84%		204.29	0.167
Cook County Health Facilities	114.54	0.086	1.51%		113.77	0.093
Cook County Taxes Total	620.68	0.466	8.17%		625.10	0.511
(Do not pay these totals)	7,591.89	5.700	100.00%		7,474.42	6.110

2007 Assessed Value	49,280
2008 Property Value	348,719
2008 Assessment Level	X 16%
2008 Assessed Value	= 55,795
2008 State Equalization Factor	X 2.9786
2008 Equalized Assessed Value (EAV)	= 166,191
2008 Local Tax Rate	X 5.700%
2008 Total Tax Before Exemptions	= 9,472.89
Homeowner's Exemption	- 1,881.00
Senior Citizen Exemption	- .00
Senior Assessment Freeze Exemption	- .00
2008 Total Tax After Exemptions	= 7,591.89
First Installment	3,737.21
Second Installment	+ 3,854.68
Total 2008 Tax (Payable In 2009)	= 7,591.89

KEEP UPPER PORTION FOR YOUR RECORDS



What You Don't See on Your Tax Bill

Presented by:

Lemont-Bromberek School District 113A

Budgeting and Levy Planning

- ❑ **Education Fund** - Direct costs for education/personnel (most widely used)
- ❑ **Operations & Maintenance Fund** - Maintenance cost for buildings
- ❑ **Debt Service Fund** - Bond payments for construction, etc.
- ❑ **Transportation Fund** - Transporting students
- ❑ **Municipal Retirement/Social Security Funds** - Retirement benefits for non-certified employees
- ❑ **Capital Projects Fund** - Costs for services like insurance, construction, utilities, etc.
- ❑ **Working Cash Fund** - Bond money loaned to other funds for cash flow purposes
- ❑ **Tort/Immunity Fund** – Funds set aside for tort judgment purposes
- ❑ **Fire Prevention and Safety Fund** - Tax or bonds for life safety or security



The Tax Levy

Presented by:

Lemont Public Library District

Levy Process

- **REMINDER:** The levy is the amount of property tax dollars requested by a governmental agency.
- The levy process is governed by the Property Tax Code (35 ILCS 200/) of the Illinois Compiled Statutes.
- Taxing districts determine the amount of money estimated to be necessary to be raised by taxation upon the taxable property in its district (Sec. 18-60).
- An estimate of taxes to be levied, in the form of a Levy Ordinance, must be prepared not less than 20 days prior to the adoption of the Levy.

Levy Process



- If the levy amount is more than 105% of the amount extended or estimated to be extended in the preceding year, a public hearing must be held.
- The public hearing shall not coincide with the hearing on the proposed budget of the taxing body.
- Taxing districts file their Levy Ordinances with the Cook County Clerk's Tax Extension Unit.
- Levy Ordinances, as well as accompanying certificates stating compliance with the Truth in Taxation Law, must be filed on or before the last Tuesday in December of the given tax year.

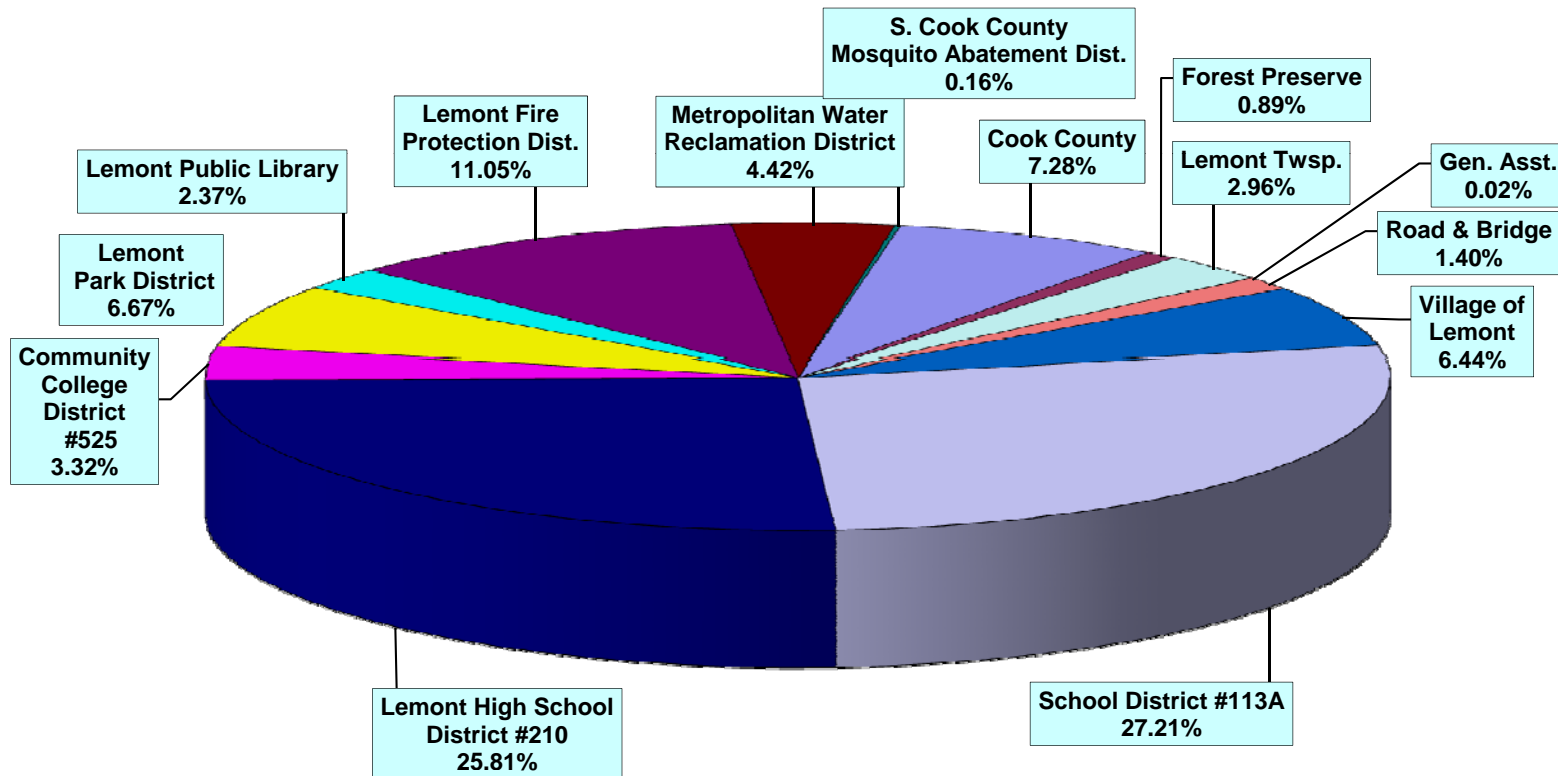
Revenue Determination



- The County Tax Extension Unit uses the levy to determine the tax amount to be "extended" against all properties located within the boundaries of the taxing district.
- Taxing districts levy for a higher amount in order to capture any new growth within their district boundaries (which is not subject to the Tax Cap).
- The Clerk's Tax Extension Unit determines the rate needed per \$100 of taxable value to generate the requested revenue, based on the EAV within the district boundaries.

How Are Your Tax Dollars Used?

2008 TAX RATES - LEMONT



History of Lemont Tax Rates

Distribution of Tax Dollars to Taxing Agencies In Lemont Township

Taxing District	2008	2007	2006	2005	2004
Cook County	0.415	0.446	0.500	0.533	0.593
Forest Preserve	0.051	0.053	0.057	0.060	0.060
Consolidated Elections		0.012		0.014	
Lemont Township	0.169	0.180	0.188	0.180	0.214
General Assistance	0.001	0.002	0.002	0.002	0.002
Road and Bridge	0.060	0.069	0.092	0.069	0.108
Village of Lemont	0.367	0.403	0.415	0.401	0.472
School District #113A	1.551	1.664	1.716	1.677	1.932
Township High School District #210	1.471	1.582	1.638	1.604	1.837
Community College District #525	0.189	0.189	0.196	0.208	0.214
Lemont Township Park District	0.380	0.426	0.285	0.266	0.324
Lemont Public Library District	0.135	0.149	0.153	0.132	0.174
Lemont Fire Protection District	0.630	0.646	0.643	0.556	0.644
Metropolitan Water Reclamation District	0.252	0.263	0.284	0.315	0.347
South Cook County Mosquito Abatement District	0.009	0.006	0.007	0.010	0.012
Suburban Cook County T B Sanitarium District			0.005	0.005	0.001
Total Tax Rate	5.700	6.110	6.181	6.052	6.934

Source: Cook County Clerk's Office, Tax Extension
http://www.cookctyclerk.com/sub/tax_extension.asp

The Tax Cap

Presented by:

Lemont Fire Protection District

History of the CPI



1999	1.60%
2000	2.70%
2001	3.40%
2002	1.60%
2003	2.40%
2004	1.90%
2005	3.30%
2006	3.40%
2007	2.50%
2008	4.10%
2009	0.10%

What is PTELL?



- ❑ PTELL is short for the Property Tax Extension Limitation Law.
- ❑ PTELL is designed to limit the increases in property tax extensions (total taxes billed) for non-home rule taxing districts.
- ❑ Commonly called the “Tax Cap,” the use of this phrase can be misleading. PTELL does not cap an individual’s property tax bill or property assessment.
- ❑ PTELL allows a taxing district to receive a limited inflationary increase in tax extensions on property.

What is the “Limitation?”



- ❑ Increases in property tax extensions for existing property are limited to the lesser of 5 percent or the increase in the national Consumer Price Index (CPI) for the year preceding the levy year.
- ❑ This limitation does not apply to new construction, which allows taxing bodies to recoup their “fair share” of tax revenue from that property.
- ❑ There has not been a CPI of 5 percent since the inception of the PTELL.



The Tax Equation

Presented by:

Village of Lemont

Elements of the Tax Equation



- **Market Value** – The Cook County Assessor’s Office determines the market value based on recent sales of properties with similar characteristics. Cook County re-assesses each property every three years. Lemont Township properties will next be assessed in 2011.
- **Assessment Level** – For residential property, Cook County recently changed the assessment level from 16 percent of market value to 10 percent. However, according to the Cook County Assessor’s Office, the change in assessment level will neither increase nor decrease one’s assessment.

Elements of the Tax Equation



- ❑ **Assessed Valuation** – A property's assessed valuation is determined by multiplying its market value by the assessment level.
- ❑ **State Equalization Factor** – Established by the Illinois Department of Revenue, the state equalization factor is used to bring all Illinois property to a uniform level of assessment, and is recalculated annually.
- ❑ **Equalized Assessed Valuation** – A property's equalized assessed valuation (EAV) is determined by multiplying its assessed valuation by the state equalization factor.

Elements of the Tax Equation

- **Local Tax Rate** – The local tax rate is the sum of all the tax rates for the taxing bodies that serve an area.
- **Total Tax Due** – Property taxes are determined by multiplying a property's EAV by the local tax rate, and dividing by 100.
- **Exemptions** – An exemption is a reduction in the assessed valuation of a property. The Cook County Assessor's Office computes the amount of savings each homeowner receives from an exemption (i.e., homestead, senior citizen, etc.).

What Determines Property Value?



- The Cook County Assessor's Office determines the value of one's property by comparing it with recent sales of properties with similar characteristics in a neighborhood.
- Some determining characteristics may include:
 - A property's age
 - A property's square footage
 - A property's type of construction

Sample Homeowner's Tax Equation

- Property's market value: \$300,000
- \$300,000 *Estimated Market Value*
- x 0.10 *Assessment Level (10%)*
- \$30,000 *Assessed Valuation*
- x 2.9786 *2008 State Equalization Factor*
- \$89,358 *Equalized Assessed Valuation (EAV)*
- - \$5,500 *Homeowner Exemption*
- \$83,858 *Adjusted EAV*
- x 0.570 *Local Tax Rate*
- \$4,779.91 *Estimated Tax Bill*



Summary

Presented by:

Lemont High School District 210

Property Tax Funding Advantages



- ❑ Administered locally
- ❑ Tax revenue is spent locally
- ❑ Opportunity exists for taxpayer input & participation
- ❑ Errors in property taxes may be corrected
- ❑ Property tax funding serves as a stable, predictable way to fund local government services

Property Tax Funding Disadvantages



- ❑ One's ability to pay is not considered
- ❑ The process is difficult to understand (i.e., formulas, timing, multiple participants, etc.)
- ❑ Essentially is a lump sum tax
- ❑ Uniformity vs. Market Value
- ❑ An inequity in funding can exist between districts, leaving a "Haves vs. Haves Not" scenario

Bottom Line on the EAV



- ❑ A community's Equalized Assessed Valuation is a moving target. The following scenarios could affect a community's EAV, and in turn, the amount paid in property taxes for homeowners:
 - ❑ A corporation appeals its property tax bill, and its EAV is reduced by \$5 million, which gets "added" to other taxpayers' bills.
 - ❑ Residential assessment appeals that are granted negatively impact tax bills of all other taxpayers.

What Should You Have Learned?



- ❑ The levy is a complicated process, which includes several different government agencies working together to determine your tax bill.
- ❑ An individual's tax bill is based upon the EAV of his/her property and the area's tax rate.
- ❑ If a person's individual EAV is lower, that does not necessarily mean his/her tax bill will also be lower.
- ❑ Bond and Interest rates approved by voters are NOT included in an entity's tax rate.

What Should You Have Learned?



- ❑ There can be several funds that comprise an entity's tax rate.
- ❑ The tax levy is tied to the previous December's CPI and new property EAV. Any property tax increase on existing property is limited to the CPI or 5 percent (whichever is less), but new property is not subject to the "Tax Cap."
- ❑ Taxing districts levy for a higher amount in order to capture any new growth within their district boundaries (which is not subject to the Tax Cap).

Questions?



- Did you not understand an element of tonight's presentation, or would you like further clarification on any topic? Please ask!
- You can also contact any of the taxing bodies represented tonight if you have a question:
 - Lemont High School District 210 (www.lhs210.net)
 - Lemont-Bromberek School District 113A (www.sd113a.org)
 - Lemont Fire Protection District (www.lemontfire.com)
 - Lemont Park District (www.lemontparks.org)
 - Lemont Public Library District (www.lemontlibrary.org)
 - Lemont Township (www.lemonttownship.org)
 - Village of Lemont (www.lemont.il.us)