

Glen Ellyn School District 41

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Abraham Lincoln Benjamin Franklin Churchill Forest Glen Hadley

2019 Preliminary Levy

— Board of Education Meeting —

DRAFT TIMELINE

- 11/11/2019 Board of Education Meeting
- 11/12/2019 Communication
- 12/09/2019 Board of Education Meeting
- Review Preliminary Levy
- Approval to Place Preliminary Levy on Display
- Levy Placed on Display
- Levy Public Hearing
- Approval of the 2019 Levy

THE LEVY STATUTORY GUIDELINES

- The Board of Education must “estimate” the levy at least 20 days prior to adoption.
- The Board of Education must adopt and file the final levy before the last Tuesday in December.
- A Truth in Taxation Hearing is required if the levy will increase by 5% or more.

TAX CAPS AND THE CONSUMER PRICE INDEX

- Property Tax Extension Limitation Act (Tax caps) Public Act 87-17
- Limits the amount of the increase in taxes from year to year to the lesser of 5% or the prior year CPI, plus the value of new property added to the tax base.
- The value of new property is unknown at the time of the levy and must be estimated.
- The December 31, 2018, CPI was 1.9% (It was 2.1% last year)
- The tax cap law will restrict the total tax amount to the increase in CPI or the lesser of 5% plus new property, **regardless of the amount levied.**

TIMING

- The 2019 levy will fund the 2020-2021 school year. The first installment of taxes related to the 2019 levy are expected to be received during June of 2020. The remainder of the levy is expected to be received during September of 2020.
- The June tax receipts are commonly referred to “Early Taxes” as they arrive just prior to the year for which they will fund.

OTHER ASPECTS OF THE LEVY

- If the district levies less than the maximum permitted under the tax cap limitation law, the district forfeits that taxing capacity for all future years.
- In regards to new property growth, if the estimate used in the levy ends up below the actual growth the district would forfeit that taxing capacity for all future years as well. That is the reason why many districts estimate a bit higher than expected in order to safely capture all taxing capacity.

ABATEMENT vs. UNDER LEVY

- If a district wishes to collect less than the maximum permitted under PTELL, there are generally two options:
 - 1. Under levy: submit a levy request below the maximum. This lowers the district's taxing capacity by the amount of the under levy for the current year, as well as all future levy years.
 - 2. Abatement: submit a levy at (or above) the maximum permitted, and then direct the Clerk's office to refund a certain portion. This preserves the district's full taxing capacity for future years.

DEBT SERVICE

- The 2019 Levy will be the third year taxes will be extended related to the 2017 referendum bonds.
- During March of 2019 the District abated \$63,831 from the Debt Service extension on the 2018 levy.

ROLE OF THE DuPAGE COUNTY CLERK

- The Clerk's office will review all requested tax extensions, and if necessary reduce the amount to the appropriate PTELL limiting rate.
- In no event can a taxing body be granted a tax extension above the limit calculated under PTELL, regardless of the amount they request.

CALCULATION OF 2019 LEVY

- [D41 CPI Worksheet for DEC 2019 Levy.pdf](#)

Thank You