

# Plainfield School District 202

Local Property Tax Topics, Information, and 2020 Tax Levy

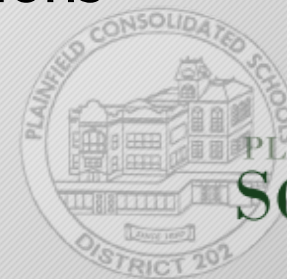


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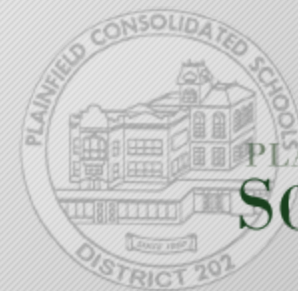
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# Section I

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Overview of the Tax Levy and Extension Process



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# What are property taxes and how are they utilized?

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- In the state of Illinois, local real estate property taxes (sometimes called an “ad valorem” tax, which means “according to value”) are based on a property’s equalized assessed value, and the total local tax rate applied to that value, after any exemptions are subtracted.
- Property taxes are levied by local governing bodies, including but not limited to counties, municipalities, townships, community colleges and school districts.
- Assessed values are not determined by the local taxing bodies, but through the County Assessor’s office.
- As with most school districts, property taxes for Plainfield CCSD #202 are the largest source of revenue to fund and operate educational programs, maintain buildings and grounds, provide student transportation, and finance debt.



# What is the tax levy?

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- A tax levy is the request (by a local governmental entity or taxing body) for local property tax dollars for operation. In this case, the request is made by Plainfield Community Consolidated School District #202 to both Will and Kendall Counties.
- Local governing bodies levy for specific dollar amounts, not tax rates.
  - School districts levy a separate amount for each fund in which local tax revenue is necessary for operation.
  - Tax rates are calculated by the County Clerk during the extension process.
- If governmental entities or taxing bodies, such as Plainfield CCSD #202, do not submit a formal request for the use of property tax dollars, it is not entitled to receive any local property tax dollars.



# What is the assessment process?

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- At the township level, assessors identify, appraise, and place value on real property.
- Market value is determined by Real Estate Transfer Declaration for similar properties.
- Commercial and industrial properties are valued based upon market value as well as income generated.
- Foreclosures and short sales are now included in comparable sales for assessed valuations.
- Illinois statute states assessed value should represent 33.3% of market value, except farmland.
- Assessment of farmland includes factors such as: yield, soil productivity, commodity prices, and mortgage rates.



# What is the “Property Tax Extension Limiting Law”? What is the “Truth in Taxation Law”?

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- PTELL (Property Tax Extension Limiting Law):
  - PTELL is the law that was enacted for Will County in 1991 and Kendall County in 1997, which limits the annual tax extension increase to 5% or CPI (currently 2.3%), whichever is less, plus new construction.
- Truth in Taxation:
  - This is required if a local governing body proposes an aggregated levy that is more than 105% of the total amount of taxes extended in the previous year (excluding necessary payments for bonded debt). The district is required to publish a legal notice in the locally circulated newspaper and hold a public hearing within a specified timeframe.
  - At a public hearing, the taxing body must explain the levy increase and allow the public to provide testimony.
  - After the hearing and approval process, the taxing district adopts the tax levy.
  - If the levy is less than 105% of the total amount of taxes extended in the previous year, public notice and a Truth in Taxation hearing are not required.



# What is the extension process?

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- After the tax levy is approved and filed, by the last Tuesday in December, the extension process begins.
- County Clerk begins the tax extension process
  - Calculates Property Tax Extension Limitation
  - Calculates final tax rates for each taxing district
  - District reviews for accuracy, makes any necessary reallocations and signs off
  - County Clerk then extends taxes on Equalized Assessment Value (EAV)
- County Treasurer prepares tax bills
  - Distributes tax bills
  - Receives property tax payments
  - Distributes payment to local governing bodies





# What is the review process?

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- The purpose of the review is to correct under or over assessments.
- Assessors send changes to property owners and publish values in the newspaper.
- Property owners have 30 days to appeal and challenge their assessment with the Board of Review.
  - Board of Review serves a copy of the petition to all taxing districts.
  - All settlements at the Board of Review happen prior to tax extension.
- The Property Tax Appeals Board (PTAB) is the next level of the review process.
  - Typically, only commercial and industrial assessment appeals surpass the Board of Review.
- The Circuit Court is the final step in the review process.



## Section II

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Calculating Property Taxes and Understanding Your Own Property Tax Bill



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# How is the tax rate calculated for a local unit of government?

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- The total tax rate for a local unit of government is simply expressed as the total amount of property taxes extended as a percentage of total equalized assessed valuation (EAV) for that unit of government.
  - This is expressed as:  $\text{Total Extension} / \text{Total EAV} = \text{Tax Rate}$ .
- For example, a school district that levies and receives \$10 million in taxes in a district with \$200 million of EAV has a tax rate of 5.0000, or \$5 per \$100 of EAV.
- There is a separate tax rate calculation for each fund within a school district, as well as for each taxing body (counties, municipalities, townships, community colleges, and school districts). These separate tax rates are combined to establish the total tax rate for the taxpayer who resides within the boundaries of the taxing bodies.



# What is the Limiting Rate Formula?

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$$\frac{(\text{Aggregate Extension Base}^* \times (1+\text{CPI}))}{(\text{Equalized Assessed Valuation} - \text{New Property}^{**})}$$

\*Aggregate Extension Base = Prior year tax receipts for all funds except the debt service fund (bonds)

\*\*New Property = Estimated new growth or returning TIF property

(Village of Plainfield, Downtown Plainfield TIF: Projected End Date 2021)

(Village of Plainfield, Rout 30 TIF: Projected End Date 2041)

(Village of Romeoville, Normantown - Weber Road TIF: Projected End Date 2041)



# How is the tax rate calculated for an individual taxpayer?

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- The total tax rate for an individual taxpayer is expressed as the total equalized assessed valuation (EAV) for that parcel of property, after any exemptions are subtracted, multiplied by the total tax rate and divided by 100.
  - This is expressed as  $EAV \times \text{Tax Rate} / 100$ .
- For example, a home with no exemptions and an equalized assessed valuation of \$100,000 with an aggregate tax rate of \$7.00 per \$100 of EAV will have a property tax bill of \$7,000.
- Individuals who own their home and occupy it as a primary residence also qualify for the general homestead owner occupied exemption of \$6,000 (see Section V for details).
  - This is expressed as:  $(EAV - \$6,000) \times \text{Tax Rate} / 100$ .
- Applied to the example above, that same home would only be taxed on \$94,000, resulting in a tax bill of \$6,580.



# How is the tax rate calculated for an individual taxpayer?

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\* S/A Eq. Factor applied to Land & Building 1.0100

Taxing District	Prior Yr Rate	Prior Yr Tax	Pension	Current Yr Rate	Current Yr Tax			
FOREST PRESERVE	.1504	96.64	4.05	.1462	100.55	9,939		Land*
WILL COUNTY BLDG COMM	.0000			.0000		64,835	+	Building*
PLFD TWP TOWN FUNDS	.0820	52.69		.0799	54.95	0	+	Farm Land
PLFD TWP ROAD FUNDS	.0544	34.95		.0530	36.45	0	+	Farm Building
PLAINFIELD FIRE DIST	.9537	612.80	79.98	.9339	642.28	74,774	=	Total Assessed Value
UNIT SCHOOL DIST 202	5.5732	3,581.06	73.17	5.4425	3,743.02	1.0000	x	State Eq. Factor
COMM COLLEGE DIST 525	.2924	187.88		.2938	202.06	74,774	=	Equalized Value
VILLAGE OF PLAINFIELD	.4669	300.01	100.13	.4669	321.11	0	+	Instant Assessment
VIL PLAINFIELD RD BR	.0544	34.95		.0530	36.45	0	-	Home Improvement Exemption
PLFD TWP PARK DIST	.2591	166.48	13.47	.2554	175.65	0	-	General Homestead Exemption
PLFD PUB LIB DIST	.1893	121.63	8.94	.1848	127.09	6,000	-	Sr. Citizen Exemption
WILL COUNTY	.5927	380.85	78.40	.5842	401.79	0	-	Sr. Citizen Freeze Exemption
						0	-	Dis. Person or Dis. Vet Exemp.
						0	-	Open Space Exemption
<b>TOTAL AMOUNT</b>	<b>8.6685</b>	<b>5,569.94</b>		<b>8.4936</b>	<b>5,841.40</b>	68,774	=	Net Equalized Value
						8.4936	x	Tax Rate
						0.00	+	Other Tax
						5,841.40	=	Total Tax Due
<b>1ST DUE DATE 6/3/20</b>	<b>2ND DUE DATE 9/3/20</b>			<b>TOTAL AMOUNT DUE</b>				
<b>2,920.70</b>	<b>2,920.70</b>			<b>5,841.40</b>				



## Section III

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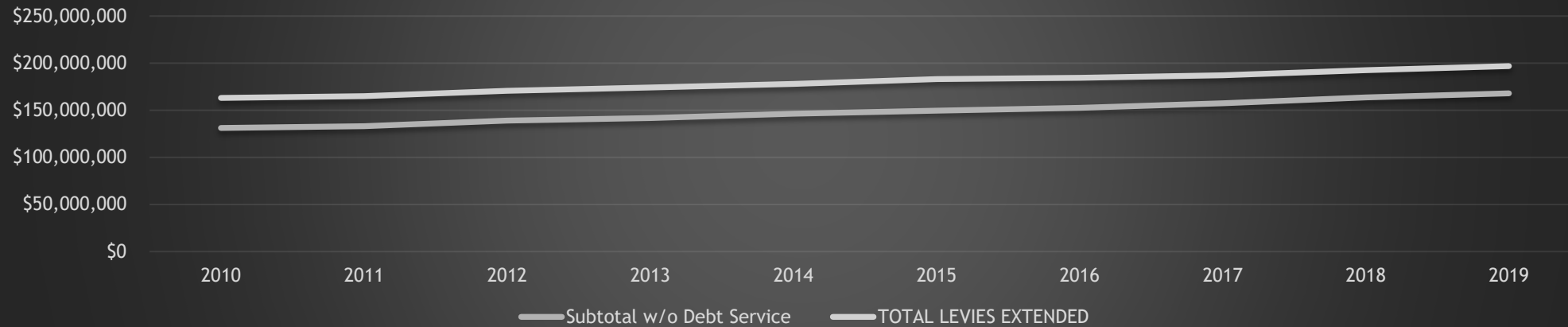
Current and Historical Property Tax Information - Plainfield CCSD #202



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# Historical Extension

### Historical Tax Extension



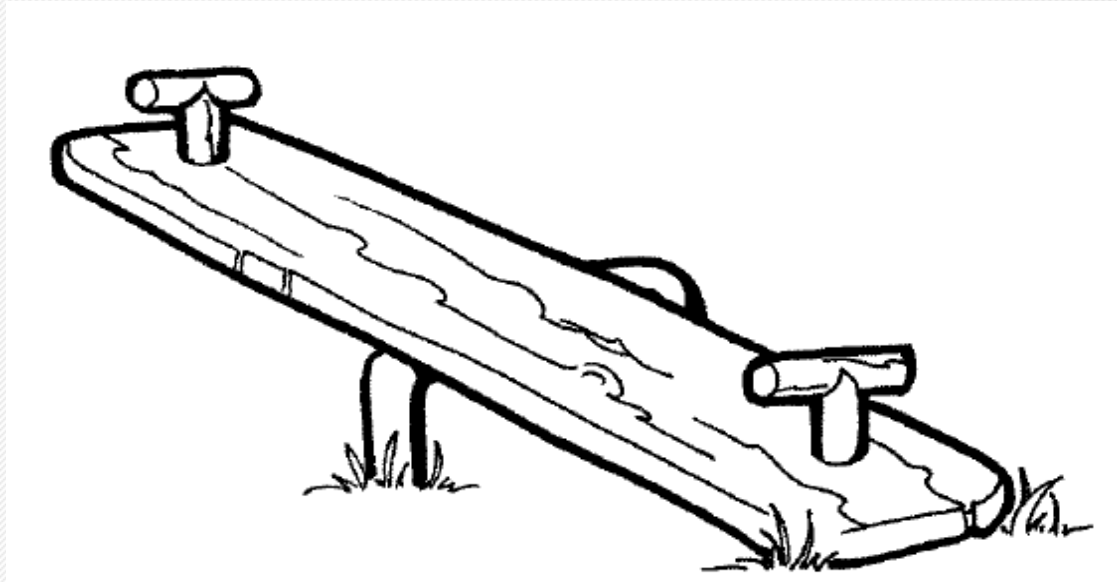
Tax Year Levied	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Subtotal w/o Debt Service	\$131,121,460	\$133,084,860	\$139,025,464	\$141,645,172	\$146,221,593	\$149,491,839	\$152,410,075	\$157,398,841	\$163,533,357	\$167,833,971
TOTAL LEVIES EXTENDED	\$163,077,480	\$164,889,151	\$170,605,797	\$174,183,983	\$177,754,800	\$183,110,162	\$184,486,891	\$187,154,564	\$192,588,764	\$196,902,811.00



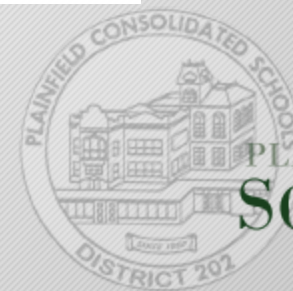


# Property Value vs. Rates

EAV  
↑

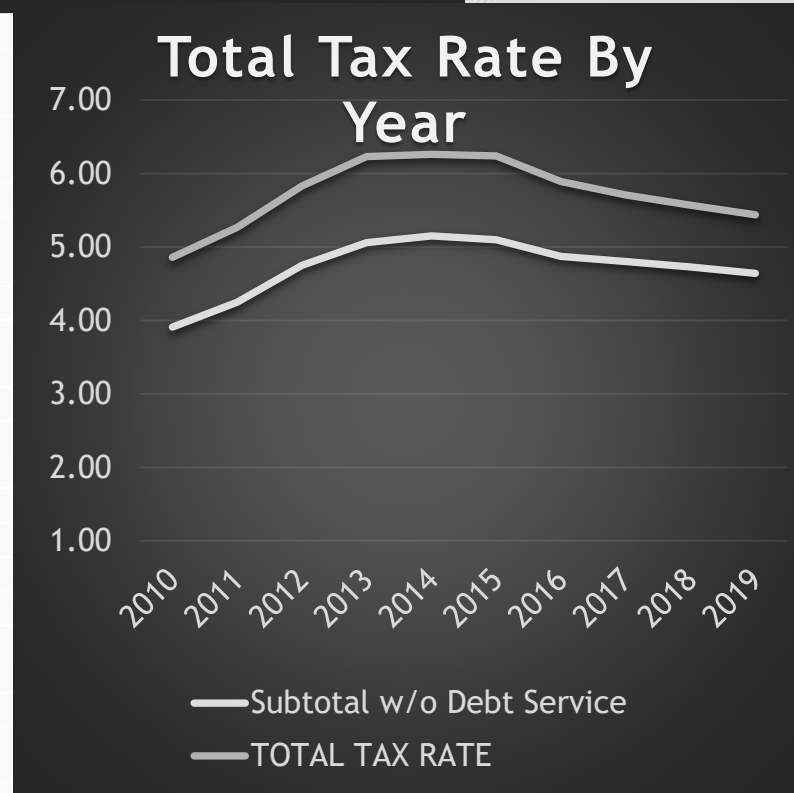


↓  
Tax Rates



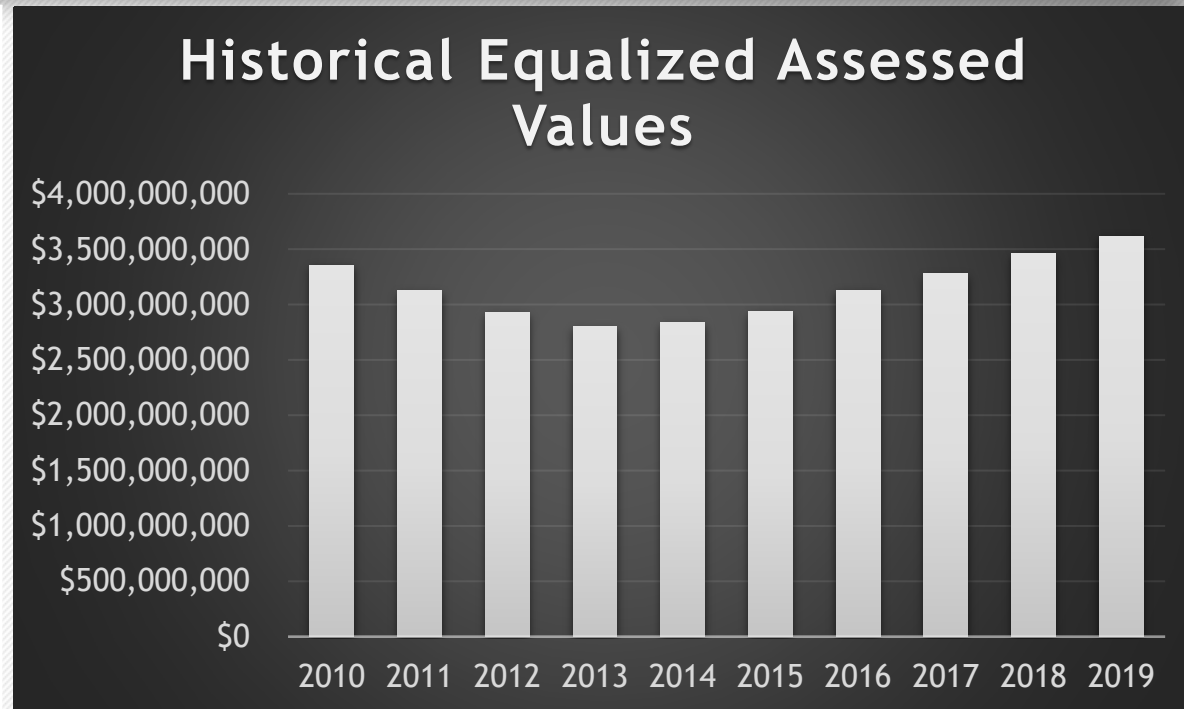
# Tax Rate History

Tax Year Levied	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Calendar Year Extended	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fiscal Year Collected	FY11 & FY12	FY12 & FY13	FY13 & FY14	FY14 & FY15	FY15 & FY16	FY16 & FY17	FY17 & FY18	FY18 & FY19	FY19 & FY20	FY20 & FY21
<u>Rates extended per \$100:</u>										
Educational	3.02	3.29	3.71	3.81	3.79	3.79	3.65	3.59	3.54	3.72
Operations and Maintenance	0.38	0.41	0.46	0.55	0.55	0.60	0.51	0.50	0.49	0.48
Transportation	0.18	0.19	0.14	0.20	0.22	0.27	0.27	0.27	0.26	0.26
Illinois Municipal Retirement	0.04	0.05	0.06	0.07	0.07	0.08	0.06	0.06	0.06	0.06
Social Security	0.04	0.05	0.06	0.00	0.07	0.08	0.06	0.05	0.05	0.04
Working Cash	0.04	0.04	0.05	0.05	0.05	0.05	0.05	0.04	0.04	0.04
Tort Immunity	0.15	0.16	0.21	0.21	0.20	0.04	0.13	0.13	0.13	0.12
Special Education	0.06	0.06	0.08	0.17	0.19	0.19	0.16	0.16	0.16	0.15
Subtotal w/o Debt Service	3.91	4.25	4.75	5.06	5.15	5.10	4.87	4.80	4.73	4.64
Debt Service	0.95	1.02	1.08	1.13	1.11	1.15	1.03	0.90	0.84	0.80
Edward Hospital				0.04						
<b>TOTAL TAX RATE</b>	<b>4.86</b>	<b>5.27</b>	<b>5.83</b>	<b>6.23</b>	<b>6.26</b>	<b>6.24</b>	<b>5.89</b>	<b>5.71</b>	<b>5.57</b>	<b>5.44</b>



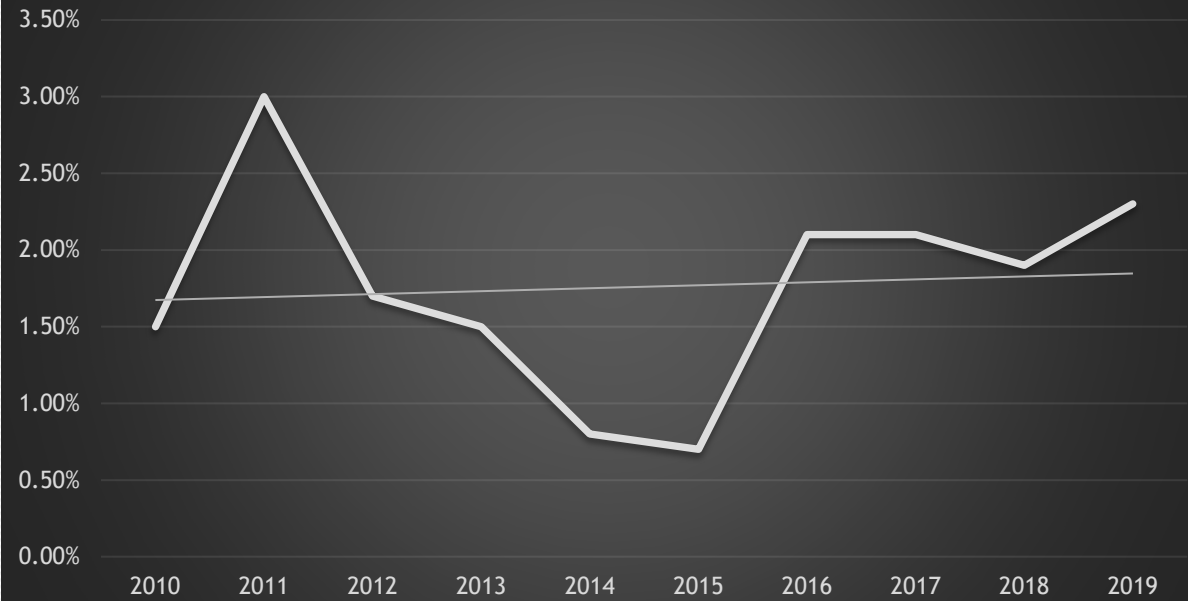
# Equalized Assessed Valuation History

Tax Year Levied	TOTAL EQUALIZED ASSESSED VALUATION
2010	\$3,354,260,077
2011	\$3,127,789,219
2012	\$2,925,856,097
2013	\$2,798,299,715
2014	\$2,838,536,190
2015	\$2,933,819,873
2016	\$3,130,153,471
2017	\$3,277,099,551
2018	\$3,455,756,761
2019	\$3,617,970,677



# CPI

CPI By Year



Year	% Use for PTELL	Levy Year	Years Taxes Paid
2010	1.5%	2011	2012
2011	3.0%	2012	2013
2012	1.7%	2013	2014
2013	1.5%	2014	2015
2014	0.8%	2015	2016
2015	0.7%	2016	2017
2016	2.1%	2017	2018
2017	2.1%	2018	2019
2018	1.9%	2019	2020
2019	2.3%	2020	2021

3 Year Average	2.1%
5 Year Average	1.8%
10 Year Average	1.8%



# Assumptions for 2020 Tax Levy (to be collected 2021)

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- District will receive a 2.3% (CPI) increase over 2019 extension
- EAV is projected to increase by 5.75-7%
- Estimated EAV = \$3,811,203,546
- Estimated New Construction = \$54,315,615
- Estimated Tax Rate = 5.26%
- Debt Service = \$29,068,839.93



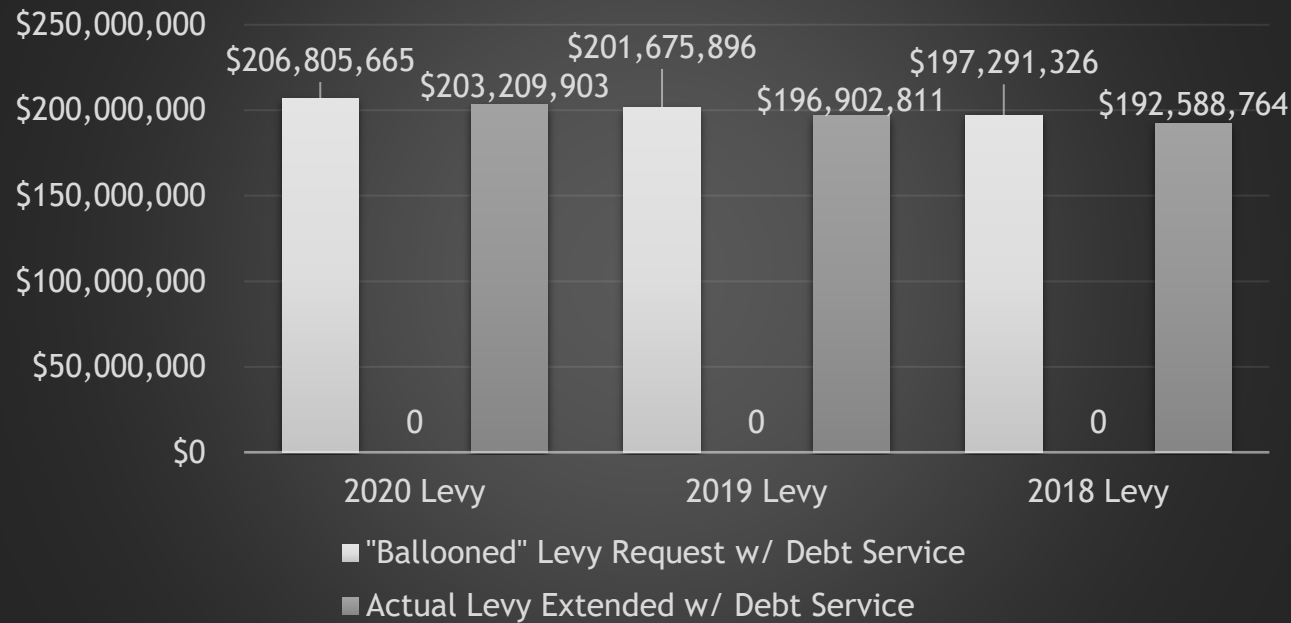
# How did we calculate 2020 Tentative Levy for the Projected Limiting Rate and Projected Extension Limit?

Limiting Rate:	$\frac{(\text{Prior Year Extension} \times (1 + \text{Lesser of } 5\% \text{ or CPI}))}{(\text{Total EAV} - \text{New Construction})}$	
Estimated Calculation of Limiting Rate	2020 Levy	
Prior year extension w/o debt service	\$	167,833,975.04
1 + CPI(1.9%)		102.30%
Adjusted Extension Base	\$	171,694,156.47
Projected Net EAV	\$	3,811,203,546.45
Projected New Property	\$	54,315,615.00
Projected Adjusted Valuation Base	\$	3,756,887,931.45
Adjusted Extension Base	\$	171,694,156.47
Projected Adjusted Valuation Base	\$	3,756,887,931.45
Projected Limiting Rate		4.57%
Projected Extension Limit (limiting rate * net EAV)	\$	174,176,443.37



# "Ballooned" Levy vs. Tax Extension

## "Ballooned" Levy vs. Tax Extension

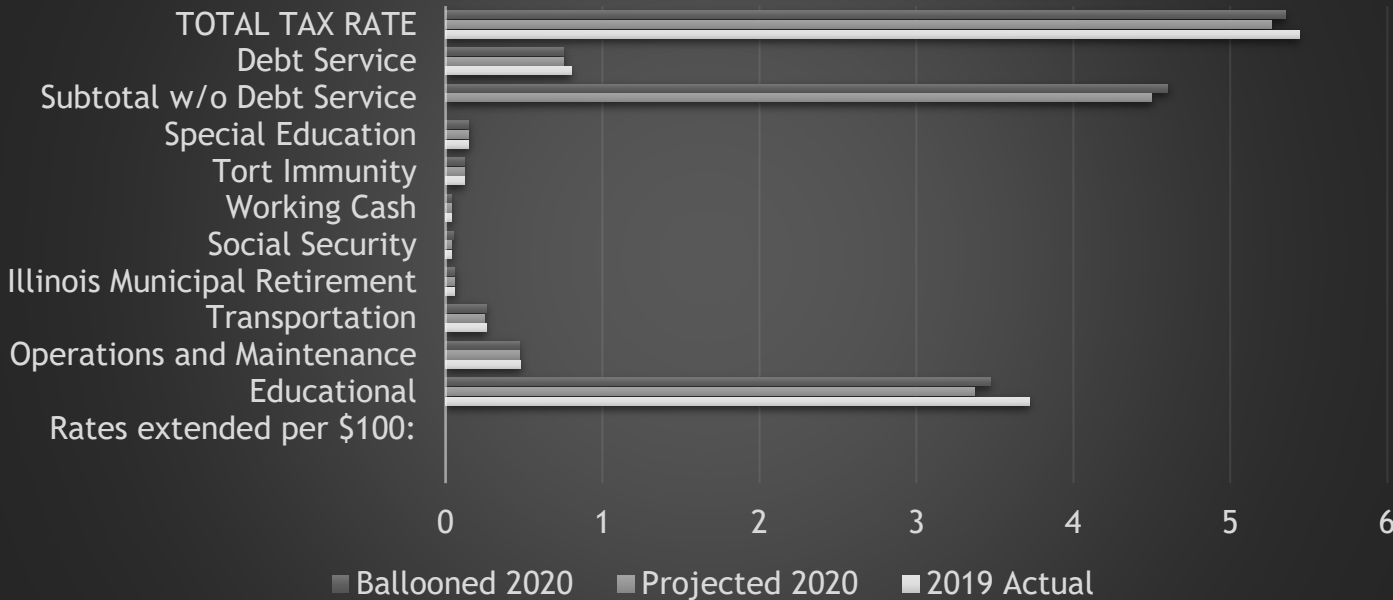


	Projected	2020 Levy	2019 Levy	2018 Levy
"Ballooned" Levy Request w/ Debt Service		\$ 206,805,665	\$ 201,675,896	\$ 197,291,326
% "Ballooned" Increased in Newspaper		5.03%	4.7%	5.4%
	Projected	2020 Extension	2019 Extension	2018 Extension
Actual Levy Extended w/ Debt Service		\$ 203,209,903	\$ 196,902,811	\$ 192,588,764
% Actual Increased		3.2%	2.25%	2.9%



# Tax Rate FY19 Rate vs. FY20 Projected vs. FY20 “Ballooned”

## Tax Rate Projections vs Prior Year



Tax Year Levied	2019	Projected 2020	"Ballooned" 2020
Calendar Year Extended	2020	2021	2021
Fiscal Year Collected	FY20 & FY21	FY21 & FY22	FY21 & FY22
<b>Rates extended per \$100:</b>			
Educational	3.72	3.37	3.47
Operations and Maintenance	0.48	0.47	0.47
Transportation	0.26	0.25	0.26
Illinois Municipal Retirement	0.06	0.06	0.06
Social Security	0.04	0.04	0.05
Working Cash	0.04	0.04	0.04
Tort Immunity	0.12	0.12	0.12
Special Education	0.15	0.15	0.15
Subtotal w/o Debt Service		4.50	4.60
Debt Service	0.80	0.75	0.75
<b>TOTAL TAX RATE</b>	<b>5.44</b>	<b>5.26</b>	<b>5.35</b>

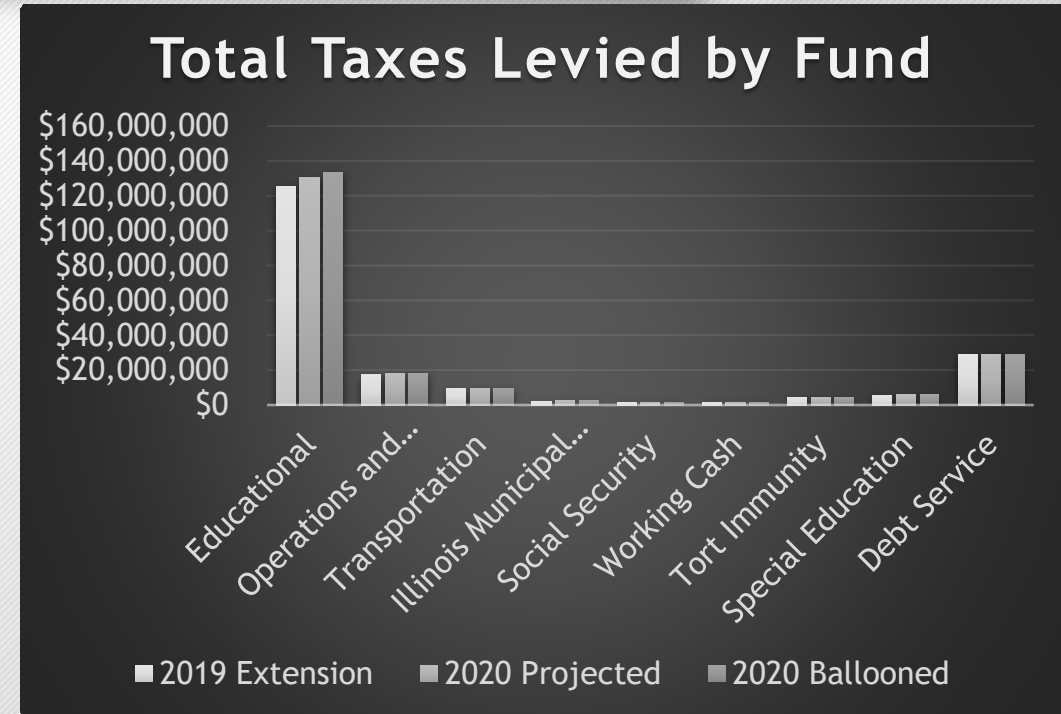




# How did we calculate 2020 levy amount per fund?

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<u>County Total</u>		Projected	"Ballooned"
Tax Year Levied	2019	2020	2020
Calendar Year Extended	2020	2021	2021
Fiscal Year Collected	FY20 & FY21	FY21 & FY22	FY21 & FY22
<u>Property Tax Extension County Total</u>			
Educational	\$125,595,683	\$130,315,487.16	\$133,573,375.00
Operations and Maintenance	\$17,488,886	\$18,146,107.34	\$18,327,569.00
Transportation	\$9,276,189	\$9,624,781.68	\$9,721,030.00
Illinois Municipal Retirement	\$2,243,007	\$2,327,297.72	\$2,327,298.00
Social Security	\$1,606,187	\$1,666,546.23	\$1,683,212.00
Working Cash	\$1,573,663	\$1,632,800.22	\$1,632,801.00
Tort Immunity	\$4,460,708	\$4,628,338.28	\$4,628,338.00
Special Education	5589649.08	\$5,799,704.46	\$5,843,203.00
Subtotal w/o Debt Service	\$167,833,971	\$174,141,063	\$177,736,826
Debt Service	\$29,068,839.93	\$29,068,839.93	\$29,068,839.93
<b>TOTAL LEVIES EXTENDED</b>	<b>\$196,902,811</b>	<b>\$203,209,903</b>	<b>\$206,805,665</b>



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# What's Next?

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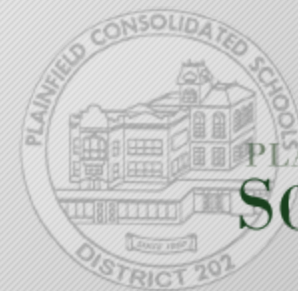
- 11/23/2020 - Tentative Levy Resolution Adoption (meets the 20-day requirement for 12/14/2020 adoption) with presentation of tentative levy
- 11/24/2020 - Release Public Notice to Shaw Media for 12/01/2020 publication
- 12/01/2020 - Publish Public Notice (cannot be more than 14 days prior to hearing)
- 12/14/2020 - Public Hearing & Levy Adoption
- 12/15/2020 - File Certificate of Tax Levy with the offices of Will and Kendall County Clerk
- 12/15/2020 - Post final levy on District website
- 12/29/2020 - Last Tuesday in December filing deadline



# Section IV

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## Definitions of Local Property Tax Terms



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# Definitions

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- **Assessment:** The process of valuing real property for tax purposes.
- **Assessed Valuation:** A value placed on property for tax purposes.
- **Board of Review:** A county level committee that reviews property tax appeals submitted by local property owners.
- **“Balloon” Levy:** When asking for more than your extension limit. The county does not have all exemptions and appeals determined by the time taxing bodies’ levies are filed on the fourth Tuesday in December. Therefore, by “ballooning” the levy it allows the school district to capture the amount they should receive from the taxing bodies. However, being a PTELL (tax capped) district, the District will only receive the extension limit.
- **Collection:** Receipt of property owner’s payment by the County Treasurer.
- **CPI:** The Consumer Price Index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them. Changes in the CPI are used to assess price changes associated with the cost of living; the CPI is one of the most frequently used statistics for identifying periods of inflation or deflation.
- **Distribution:** Payment of tax receipts by the County Treasurer to schools and other units of local government.
- **Equalized Assessed Valuation (EAV) :** The assessed valuation multiplied by the equalization factor.



# Definitions (continued)

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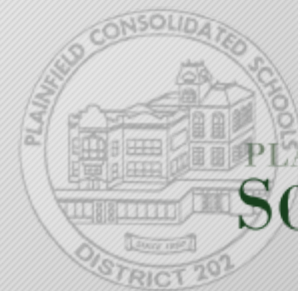
- **Equalization Factor:** A factor determined by the Illinois Department of Revenue each year to ensure an equal assessment among all 102 counties in the state. State statute requires that the aggregate value of assessments within each county must be equalized at 33 1/3 % of the estimated fair market value of real property in the county. This factor is also known as the “multiplier”.
- **Extension:** The actual amount of money received by a local governmental taxing body.
- **Property Tax:** A tax assessed on real estate by the local government. The tax is usually based on the value of the property owned (including the land).
- **PTAB:** If the local property taxpayer finds the decision of the Board of Review unacceptable, the taxpayer may request (in writing) a review by the county Property Tax Appeals Board or, PTAB. (Typically, only commercial or industrial assessment appeals go beyond the Board of Review.)
- **Tax Base:** The total EAV of a school district or taxing body
- **Tax Levy:** The dollar amount in real estate taxes requested by each taxing body.
- **Tax Rate:** The tax levy (i.e. dollar amount) divided by the total equalized assessed valuation. In other words, it is the amount of taxes due, as a percentage of the tax base.
- **Tax Year:** The calendar year in which property is assessed and the levy is made. Taxes are billed, collected and distributed in the following calendar year.



# Section V

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## Local Property Tax Exemption and Qualifications



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# What are the tax exemptions and how do you qualify?

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- **General Homestead (Owner Occupied) Exemption:** Lowers the taxable value up to \$6,000. To qualify for this exemption, a homeowner must live in the home on or before January 1st of the tax year.
- **Homestead Improvement Exemption:** This exemption is limited to the fair cash value that was added to the homestead property by any new improvement, up to an annual maximum of \$75,000 assessed value.
- **Disabled Persons' Homestead Exemption:** Provides an annual \$2,000 reduction in the assessed value of the property owned and occupied on January 1st of the assessment year by the disabled person who is liable for the payment of the property taxes.
- **Senior Citizens' Homestead Exemption:** Lowers the taxable value of the property up to \$5,000. This exemption is available for residential property that is occupied as a principal residence by a person who is 65 years of age or older during the assessment year and is liable for the payment of the property tax.



# What are the tax exemptions and how do you qualify?

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- **Senior Citizens' Assessment Freeze:** Household income limit is \$55,000 and the senior must meet certain criteria.
- **Disabled Veterans' Homestead Exemption:** A qualified veteran with a disability of at least 50 percent but less than 70 percent will receive a \$2,500 reduction in EAV, and a disabled veteran with a disability of 70 percent will receive a \$5,000 reduction in EAV.
- **Returning Veterans' Homestead Exemption:** A one-time \$5,000 reduction in the assessed value of the principal residence for the tax year the veteran returns from active duty in an armed conflict involving the United States.





# Questions?

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If you should have any questions regarding local property taxes or other issues related to school district funding or finances, please contact:

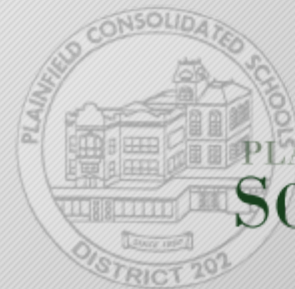
Tony Arbogast

Assistant Superintendent for Business & Operations

Plainfield CCSD 202

Office: (815) 577-4046

Aarbogas@psd202.org



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