



VILLAGE OF MANTENO 2017 TAX LEVY REQUEST

PUBLIC HEARING
DECEMBER 4, 2017
6:40 P.M.

COMMON TERMS USED WITH PROPERTY TAXES



- Budget – Spending plan
- CPI – Consumer price index used by Bureau of Labor
- EAV – Equalized assessed valuation
- EXTENSION – Actual dollar amount of taxes billed to property taxpayers in a taxing district
- LEVY – Amount of money sought from property taxes by government
- TAX RATE – Amount of tax due, stated in terms of a percentage of tax base



TRUTH IN TAXATION LAW

- Village Board identifies amounts needed to fund programs & services.
- Determines levy 20 days before adopting.
- Compares aggregate levy to previous year's extension.
- If levy is over 5% larger than extension, publishes notice & holds public hearing.
- Certifies to County Clerk that requirements are met.



TAX LEVY ORDINANCE

- Municipality's legal request to receive property taxes imposed upon properties lying within its corporate boundaries.
- Sets forth specific type and amount of property taxes requested.
- Utilizes adopted budget to determine amounts necessary to provide services.



Overlap of cycles

- Apr 2017 – Budget ordinance adopted for fiscal year May 2017 thru Apr 2018.
- Dec 2017 – Levy ordinance adopted based on FY 17-18 budget.
- May 2018 – Property tax bills mailed.
- Sep to Nov 2018 – 2017 property tax received by Village. (The fiscal year that the levy was based on has ended six months before taxes are received.)
- Time lapse between budget and collection makes planning of tax levy rather difficult.
- Property taxes can only be used for specific purposes.
- Unused tax money carried to next fiscal year.



Rate Determination Process

- Assessor places value on real property.
- Districts identify amounts needed to fund programs & file levy ordinance with county.
- County Clerk:
 - Calculates tax rate & determines that levy rates do not exceed statutory limits;
 - Verifies district's compliance with Truth in Taxation Act & Property Tax Extension Limitation Law;
 - Apportions tax burden to all property owners in taxing district.



Property Tax Extension Limitation Law (PTELL)

- Limits property tax extension increases to 5% or previous year CPI (whichever is less).
- Individual property tax bills not capped.
- Based on previous year extension.
- Truth in Taxation Act is applicable.
- Increases allowed on annexations to district, new property, & voter approved new rates.
- Overall impact – limits tax rate.



Limiting Rate Formula

- Limiting rate =
$$\frac{A \times (1+L) \times R}{CEAV - NP - AX - TIF + DIS}$$
- A – Aggregate extension base
- L – Limitation
- R – Rate increase factor
- CEAV – Current EAV
- NP – New property
- AX – Current EAV of any annexations
- TIF – Recovered TIF incremental value
- DIS – Current EAV of any disconnections

VILLAGE OF MANTENO

2017 LEVY REQUEST



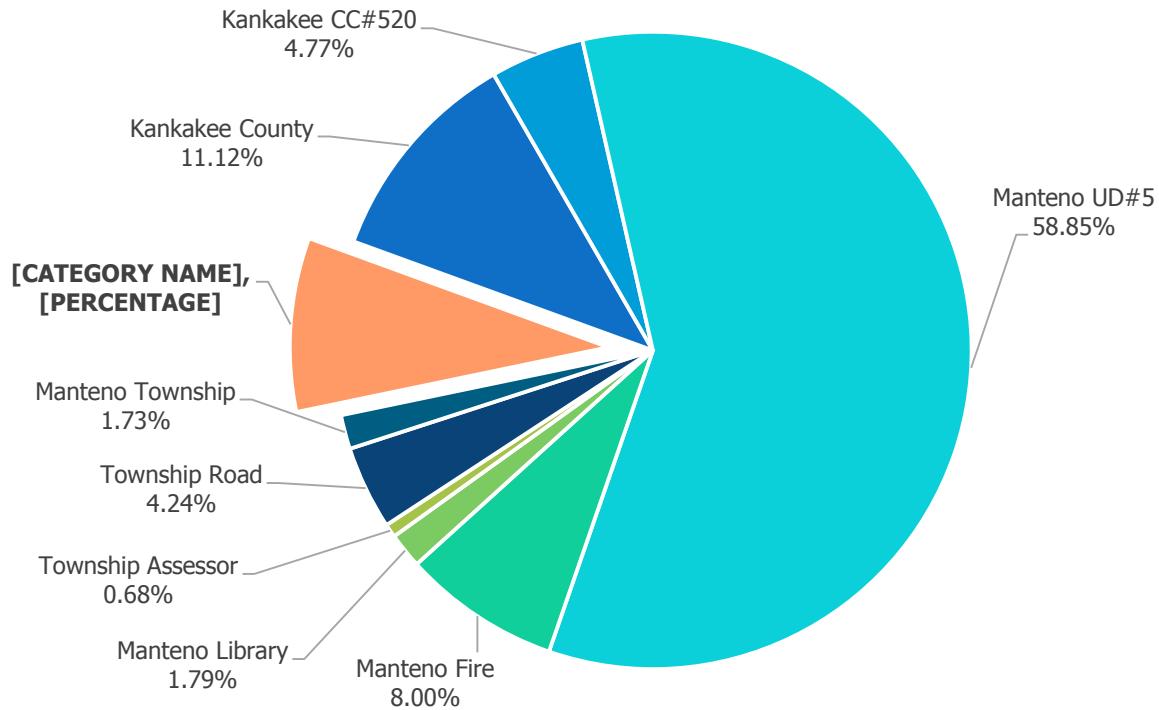
- \$1,680,000 – which is an increase of 1.76% over the previous total extension of \$1,650,898.
- Does not require a public hearing (not over 5%) but Village Board wants residents to be informed.
- Additional levy amount (\$29,102) is required to cover cost increases in providing village services, especially police service and park amenities.
- 2016 estimated rate setting EAV = 174,755,854, an increase of 2.3M or 1.33% (2016 EAV=172,455,374).
- 2015 EAV = 165,747,969 2014 EAV = 162,767,202
- If County Clerk calculates that request is over limiting rate, amount of increase will be less.

MANTENO 2017 LEVY REQUEST BREAKDOWN (\$1,680,000)

■ Corporate	\$ 410,000	<i>2016 Total</i>	\$ 409,005
■ IMRF (pension)	\$ 86,000	<i>Extension</i>	\$ 86,135
■ Police protection	\$ 441,000		\$ 428,106
■ Police pension	\$ 350,000		\$ 350,235
■ Garbage disposal (branches)	\$ 18,000		\$ 16,162
■ Audit	\$ 7,000		\$ 6,061
■ Liability insurance	\$ 118,000		\$ 118,275
■ Street lighting	\$ 50,000		\$ 50,139
■ Parks	\$ 50,000		\$ 35,079
■ Emergency services	\$ 1,000		\$ 1,102
■ Social security	\$ 135,000		\$ 135,172
■ School crossing guard	\$ 9,000		\$ 9,183
■ Public comfort stations	\$ 5,000		\$ 5,142
■ Chlorination of sewage	\$ 0		\$ 1,102
■	<u>\$1,680,000</u>		<u>\$1,650,898</u>

WHERE DOES YOUR PROPERTY TAX GO?

2016 MANTENO PROPERTY TAX



2017 PROPERTY TAX LEVY REQUEST BREAKDOWN

2017 MANTENO LEVY REQUEST \$1,680,000

