

## WILLIAMSVILLE SCHOOL DISTRICT TAX LEVY

Public school finance is often viewed as a complicated process. This is an attempt to explain the levying process in order to give you a better grasp of school finance practices. The Williamsville School District must post a notice in today's paper regarding the tax levy. This is a legal notice required by the Illinois State Board of Education. Because of its format, the levy notice is very misleading. It is imperative that taxpayers understand that the district is not raising taxes by 18%. The levy is just requesting the school's share of the tax dollars available in new property growth and CPI applied to existing property under the tax cap. A tax levy is not what the district actually receives. In reality, the tax rate applied by the school district will decline under the tax cap as the value of property increases. Here is a brief explanation of the budget and levy cycle.

Public school districts have a fiscal year that extends from July 1 to June 30. The Illinois School Code requires school districts to adopt an annual budget before or during the first quarter of each fiscal year (by September 30). This budget must specify the estimated expenditures and revenues necessary for the fiscal year. These budgets must also contain a statement of the year's beginning and ending cash receipts and disbursements for the budget year.

School district personnel start to prepare for the following year's budget in December. Each board of education makes an annual levy (the amount of money that the school district requests that the County Clerk taxes the property owners of the school district) in terms of dollar amounts and certifies this levy to the respective county clerks. The tax levy must be filed with the county clerk before the last Tuesday in December annually. Taxes that are levied on the current year's budget and filed in December with the county clerk are extended in the spring and usually received by the school treasurer in July and October.

When the board of education approves the levy amount in December, it does not know the actual value of the local property expressed in equalized assessed valuation (EAV). EAV is defined as one-third the actual market value of all property. Another factor complicating the prediction of the current years EAV is the concept of tax caps. Residents of Sangamon County approved tax caps that limit the increase of property tax extension to 5% or the percent increase in the national Consumer Price Index (CPI), whichever is less, to existing property.

If the local board of education approves a tax levy more than 105% of its prior year's taxes, it must publish a notice in the local newspaper and conduct a tax levy hearing. Last year (tax year 2010) the administration recommended and the board of education approved a tax levy of 14.8% over the previous year's extension. This is a "ballooned" figure because the CPI for last year was 2.7%. However, by levying at this higher rate the school district is protecting itself against unknowns such as the actual growth in EAV and new property that has come on the tax rolls. This protection allows the school district to access all property taxes it is legally entitled to. If we submit an estimate under

the actual EAV growth, our school district would permanently lose tax revenue of new property. So, while the levy notice may indicate an increase totaling 18%, we are limited by law to the CPI figure, which will be around 3% on existing property.

Finally, the tax rate that is reflected on your tax bill determines the amount of taxes you actually pay. The Williamsville School District tax rate has actually been on the decline since 2001 and should continue to stay well below the 2001 tax rate again this year. Consequently, in a tax capped school district, if a homeowner's taxes increase, it is usually due to the increase in the assessed valuation of their property, not an increased tax rate applied by the school district.

**Williamsville CUSD #15**  
**Historical Tax Rates**

<u>YEAR</u>	<u>RATE</u>
2001	4.78
2002	4.77
2003	4.74
2004	4.75
2005	4.71
2006	4.66
2007	4.54
2008	4.66
2009	4.56
2010	4.57