

VILLAGE OF LIBERTYVILLE 2020 TAX LEVY INFORMATION

Tax Levy Process

In order to collect a property tax, government agencies in the State of Illinois are required to establish a "tax levy." The tax levy is a projection of the monies the government agency obtains through the annual property tax. The Libertyville Village Board adopts a property tax levy by ordinance and files the ordinance with the Lake County Clerk by the last Tuesday in December. The funds identified in the tax levy and collected through property taxes are utilized by the Village, along with other revenue sources, to fund the Village Budget.

The Village's 2020 tax levy will be incorporated in the property tax bills property owners receive in 2021 and will be collected between June and September of 2021. These funds will be used by the Village to fund a portion of the 2021-2022 Village Budget (the Village operates on a May 1 through April 30 fiscal/budget year). The tax levy ordinance adopted by the Village is filed with the Lake County Clerk, who then determines the "tax rate" needed to raise the dollars levied by the Village. The Village levies in dollars rather than a specific tax rate. As a result, the Village does not receive any additional dollars if the assessed valuation of property in the Village increases or decreases. Rather, the amount of the Village tax levy remains the same and is spread over a greater or lesser total assessed valuation of property (which results in a decrease or increase in the actual Village tax rate). The 2020 total equalized assessed valuation is expected to increase approximately 0.4%, which should moderate the increase in the actual tax rate since the dollar amount of the levy is spread over a larger assessed valuation.

The timing of the determination of the tax levy amount creates a challenge because it occurs prior to the preparation of the fiscal year 2021-2022 annual budget, the period during which the funds will be used. However, the Village Board and Staff utilize a five-year financial plan, which will be discussed in January 2021 and will guide the preparation of the 2021-2022 Village Budget.

The property tax rate is determined by the Lake County Clerk and appears on the property owner's property tax bill. The tax rate is applied to a property's assessed valuation, which determines the amount of money the taxpayer pays to the Village of Libertyville and other taxing districts. Property owners in the Village of Libertyville will note that the Village is only one of many taxing bodies which appear on the annual property tax bill.

Proposed 2020 Village Tax Levy

After reviewing three options, the Village Board is considering a 2020 net tax levy in the amount of \$8,671,241 (after abatements) which would include a levy of \$194,000 for the Village's payment to the Special Recreation Association and ADA playground improvements. Legislation was passed in 2003 which allowed this portion to be levied outside the tax cap. This net proposed tax levy represents a 2.315% increase over the extended 2019 Village property tax levy of \$8,475,067. Village Staff anticipates that the estimated 2020 levy will result in a property tax rate of 0.673643. The tax levy includes funding for repayment of the voter-approved road bonds that were issued in 2012, 2013, 2014 and 2015.

TAX LEVY COMPARISON - 2019 & 2020

FUND	2019 EXTENDED LEVY			2020 PROPOSED		
	LEVY	ABATEMENT	EXTENSION	LEVY	ABATEMENT	EXTENSION
CORPORATE	1,179,036	0	1,179,036	1,194,735	0	1,194,735
FIRE	753,011	0	753,011	753,000	0	753,000
STREETS/BRIDGES*	0	0	0	0	0	0
PARKS	378,012	0	378,012	378,000	0	378,000
RECREATION	378,012	0	378,012	378,000	0	378,000
IMRF/FICA	334,206	0	334,206	334,200	0	334,200
Sub-Total General Fund	3,022,276	0	3,022,276	3,037,935	0	3,037,935
POLICE PENSION	2,058,132	0	2,058,132	2,084,873	0	2,084,873
FIRE PENSION	1,487,106	0	1,487,106	1,640,990	0	1,640,990
Sub-Total Pensions	3,545,238		3,545,238	3,725,863	0	3,725,863
Sub-total General & Pensions	6,567,514	0	6,567,514	6,763,798	0	6,763,798
SRA	194,001	0	194,001	194,000	0	194,000
BONDS(See Below)	4,189,003	2,475,445	1,713,558	4,376,635	2,663,193	1,713,443
GROSS LEVY	10,950,518	2,475,445	8,475,067	11,334,433	2,663,193	8,671,241
NET PROPERTY TAX REVENUE			8,475,067			8,671,241

* For comparison purposes, the Township levies are combined.

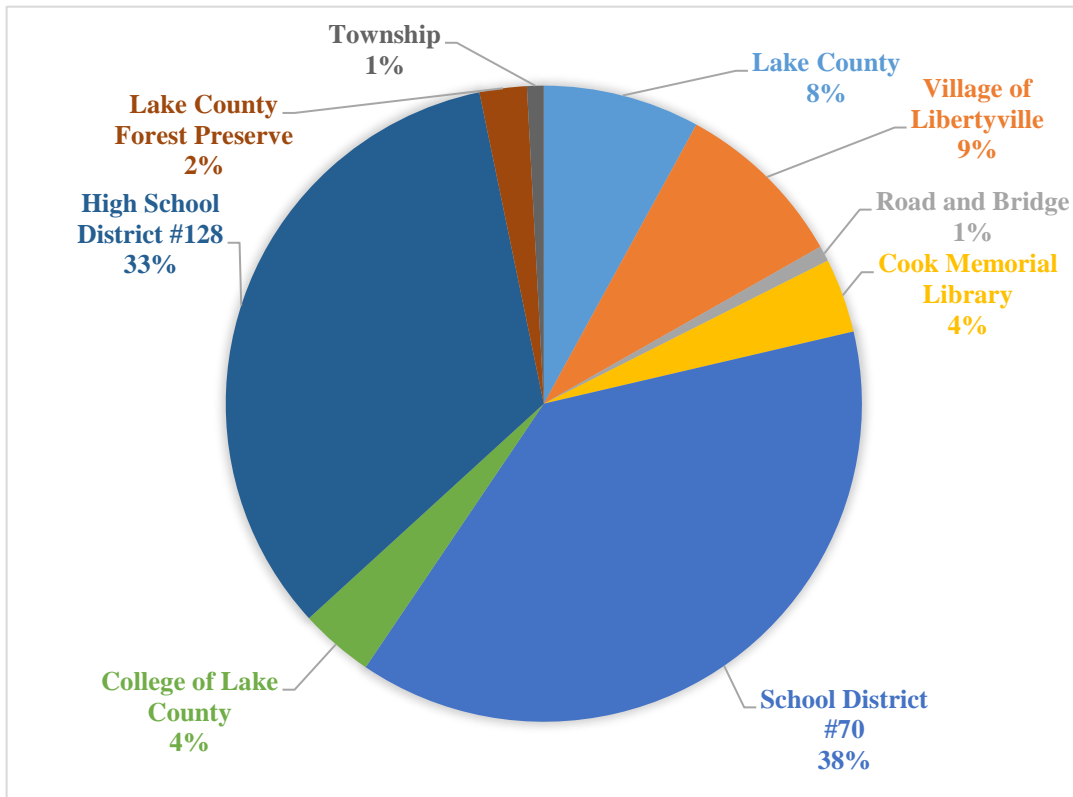
BONDS	2019 Levy	2019 Extended	2020 Levy	2020 Extended
Sports Complex (2010A Refunding)	533,255	0	1,285,255	0
Sports Complex (2010B Taxable Refunding)	336,750	0	335,750	0
Sports Complex (2010C Refunding)	585,675	0	0	0
Road Bonds (2012A GO Bond)	323,425	326,659	328,525	328,525
Water/Sewer (2012B Alt Revenue)	265,000	0	266,000	0
Road Bonds (2013A GO Bond)	364,888	368,536	367,988	367,988
Water/Sewer (2013B Alt Revenue)	303,425	0	307,575	0
Water/Sewer (2014A Alt Revenue)	318,300	0	319,300	0
Road Bonds (2014B GO Bond)	354,050	357,591	359,250	359,250
Road Bonds (2015A GO Bond)	373,630	377,366	377,380	377,380
Water/Sewer (2015B Alt Revenue)	150,013	0	149,313	0
Stormwater/Facilities Limited Tax (2019 GO Limited Tax)	280,593	283,399	280,300	280,300
	4,189,003	1,713,558	4,376,635	1,713,443

In attempting to determine the 2020 property tax levy, the Village Board has taken the following items into consideration:

- An increase of approximately 0.4% in the equalized assessed valuation of property within the Village (based on preliminary information provided by the Lake County Assessor).
- Requirements of the tax cap legislation.
- The ongoing financial impact to elastic revenue sources, such as sales taxes, on account of the COVID-19 pandemic.
- Actuarially required increases in contribution levels to the Police and Fire Pension funds.
- A desire to maintain General Fund fund balances according to the Fund Balance Policy and to maintain current service levels to Village taxpayers.

Distribution of Your Property Tax Dollars

The Village of Libertyville is only one of many governmental taxing agencies that appear on a homeowner's real estate tax bill. As the following chart indicates, the Village's share of a homeowner's real estate tax bill is approximately 9% (based upon representative 2019 tax rates which were paid in calendar year 2020). Taxes for the other taxing bodies are distributed directly to them by the Lake County Treasurer. The Village does not have any input or decision-making authority on the amount of taxes levied for these other taxing bodies.



How Much Do We Pay and How Do We Compare?

While both the tax levy and budgeting process can be complicated and somewhat difficult to understand, homeowners often focus on how these processes impact the dollar amount of their real estate tax bill. Based upon the 2019 Village tax levy, the following comparison illustrates the impact of the 2020 levy and the amount of tax a Libertyville property owner will pay to the Village of Libertyville:

IMPACT ON A LIBERTYVILLE HOMEOWNER
 (Assumes a 0.4% increase in the Equalized Assessed Valuation)
 EAV is Approximately 1/3 Market Value

2019 Home Value	2019 EAV	2019 VILLAGE TAX	2020 Estimated EAV	2020 EST TAX	DOLLAR INCREASE	% CHANGE
\$300,000	\$100,000	\$661	\$100,376	\$672	\$11	1.6%
\$400,000	\$133,333	\$881	\$133,834	\$896	\$14	1.6%
\$500,000	\$166,667	\$1,101	\$167,293	\$1,119	\$18	1.6%
\$600,000	\$200,000	\$1,322	\$200,751	\$1,343	\$22	1.6%

The proposed 2020 Village tax levy will result in a 1.6% increase to a typical property owner's tax bill for the Village of Libertyville that will be paid in 2021 (does not include schools and other taxing bodies).

The total CPI allowance under the Property Tax Extension Limitation Law (PTELL) for tax year 2020 (payable in 2021) is 2.3%. An average homeowner in Libertyville is expected to experience a 1.6% increase in the Village portion of their property tax bill, which is 0.7% less than the CPI allowance. The dollar amount percentage change between tax year 2019 and tax year 2020 was held below CPI due to the addition of \$8,610,145 in taxable property (new growth) in the Village. This new taxable property provides a larger base on which to spread around the Village's levy request.

The Village of Libertyville has a favorable tax rate in comparison to surrounding communities. The following table compares Libertyville's 2019 tax rate (taxes paid in 2020) to neighboring towns, noting that several communities have a separate park and/or fire protection district. Also shown is the amount of property taxes paid for Village services on property with a value of \$500,000. The Village of Libertyville's tax rate continues to be one of the lowest of the surrounding communities.

LEVY YEAR 2019 TAX RATES

<u>Community</u>	<u>Village Rate</u>	<u>Fire District</u>	<u>Park District</u>	<u>Total Tax Rate</u>	<u>Tax Paid on a \$500,000 Home</u>
Round Lake Beach	0.717119	0.966072	0.682170	2.365361	\$3,942
Mundelein	1.426002	-	0.458187	1.884189	\$3,140
Grayslake	0.561657	0.826573	0.473303	1.861533	\$3,103
Deerfield	0.608281	0.637855	0.566983	1.813119	\$3,022
Lindenhurst	0.352855	0.757880	0.450356	1.561091	\$2,602
Antioch	0.979004	0.534706	-	1.513710	\$2,523
Lake Forest	1.372109	-	-	1.372109	\$2,287
Highland Park	0.809013	-	0.559649	1.368662	\$2,281
Buffalo Grove	0.890471	-	0.464565	1.355036	\$2,258
Lake Bluff	0.751047	-	0.476770	1.227817	\$2,046
Lincolnshire	0.241000	0.750115	-	0.991115	\$1,652
Vernon Hills	-	0.565547	0.420260	0.985807	\$1,643
Libertyville	0.660877	-	-	0.660877	\$1,101
Gurnee	-	-	0.494028	0.494028	\$823