

VILLAGE OF LIBERTYVILLE 2022 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 a portion of the Village's budget.

The Village's 2022 tax levy will be incorporated in the property tax bills property owners receive in 2023 and will be collected between June and October of 2023. These funds will be used by the Village to fund a portion of the 2023-2024 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 2022 total equalized assessed valuation is expected to increase approximately 3.5%, 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 2023-2024 annual budget, the period during which the funds will be used. However, the Village Board and Staff utilize a five-year financial plan that will guide the preparation of the 2023-2024 Village Budget.

The property tax rate is determined by the Lake County Clerk and appears on a 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 2022 Village Tax Levy

After reviewing three options, the Village Board is considering a 2022 net tax levy in the amount of \$9,432,382 (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 6.44% increase over the extended 2021 Village property tax levy of \$8,861,550. This increase is primarily due to the expiration of the Downtown TIF District and the recovery of TIF EAV. Village staff anticipates that the estimated 2022 levy will result in a property tax rate of 0.713846. The tax levy includes funding for repayment of the voter-approved road bonds that were issued in 2012, 2013, 2014 and 2015 (the 2012 and 2013 issuances were refunded to lower rate securities in 2021).

TAX LEVY COMPARISON - 2021 & 2022

FUND	2021 EXTENDED LEVY			2022 PROPOSED		
	LEVY	ABATEMENT	EXTENSION	LEVY	ABATEMENT	EXTENSION
CORPORATE	1,230,567	0	1,230,430	1,660,490	0	1,660,490
FIRE	753,000	0	753,006	753,000	0	753,000
STREETS/BRIDGES*	0	0	0	0	0	0
PARKS	378,000	0	378,009	378,000	0	378,000
RECREATION	378,000	0	378,009	378,000	0	378,000
IMRF/FICA	334,200	0	334,207	334,200	0	334,200
Sub-Total General Fund	3,073,767	0	3,073,661	3,503,690	0	3,503,690
POLICE PENSION	2,164,737	0	2,164,748	2,239,107	0	2,239,107
FIRE PENSION	1,659,779	0	1,659,787	1,804,606	0	1,804,606
Sub-Total Pensions	3,824,516		3,824,535	4,043,713	0	4,043,713
Sub-total General & Pensions	6,898,283	0	6,898,196	7,547,403	0	7,547,403
SRA	250,000	0	250,010	194,000	0	194,000
BONDS(See Below)	3,787,848	2,110,149	1,677,699	4,592,553	2,901,574	1,690,979
GROSS LEVY	10,936,044	2,110,149	8,825,906	12,333,956	2,901,574	9,432,382
PTAB/Recapture			35,645			
NET PROPERTY TAX REVENUE			8,861,550			9,432,382

* For comparison purposes, the Township levies are combined.

BONDS	2021 <u>Levy</u>	2021 <u>Extended**</u>	2022 <u>Levy</u>	2022 <u>Extended</u>
Sports Complex (2021 Refunding)	1,121,355.00	0	1,126,955.00	0.00
Road Bonds (2014B GO Bond)	359,250.00	362,844	366,600.00	366,600.00
Road Bonds (2015A GO Bond)	380,880.00	384,689	382,780.00	382,780.00
Water/Sewer (2015B Alt Revenue)	463,612.50	0	460,737.50	0.00
Stormwater/Facilities Limited Tax (2019 GO Limited Tax)	277,150.00	279,922	281,749.45	281,749.45
Road Bonds (2021A GO Refunding)	643,800.00	650,238	659,850.00	659,850.00
Water/Sewer (2021B Alt Revenue)	541,800.00	0	547,000.00	0.00
Stormwater (2022 Alt Revenue)	0	0	766,881.26	0.00
	<u>3,787,848</u>	<u>1,677,699</u>	<u>4,592,553</u>	<u>1,690,979</u>

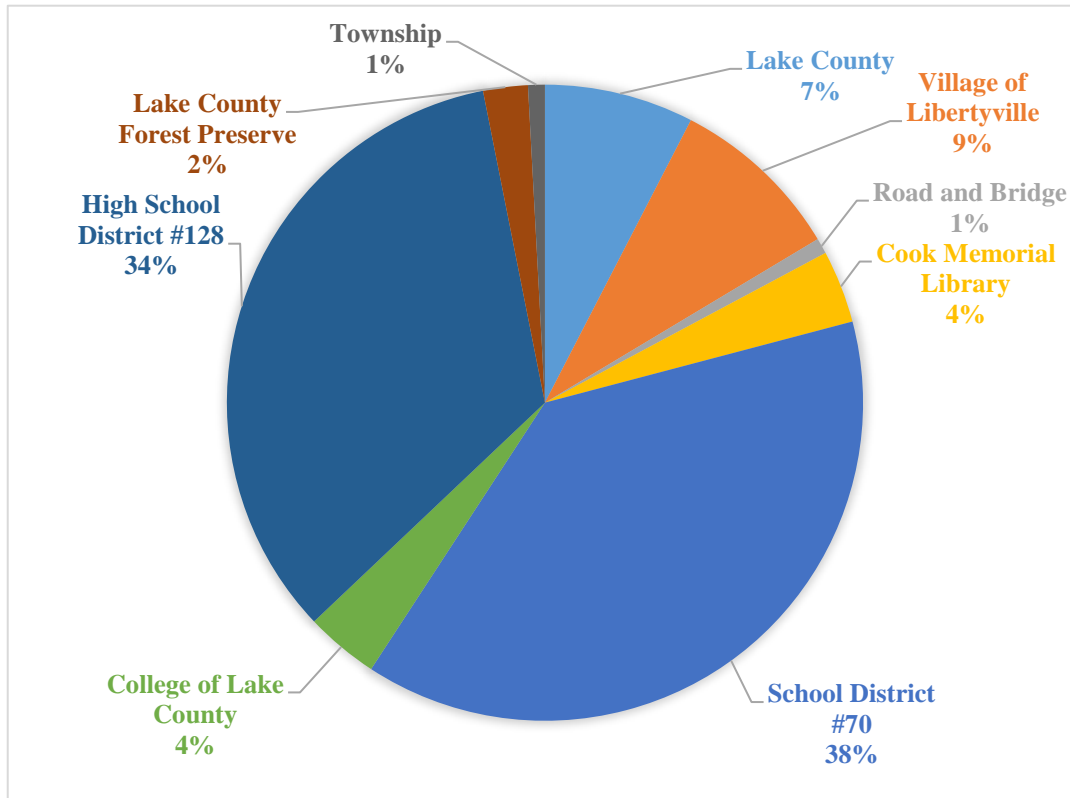
** Individual bond extensions do not add up to total due to rounding.

In attempting to determine the 2022 property tax levy, the Village Board has taken the following items into consideration:

- An increase of approximately 3.5% in the equalized assessed valuation of property within the Village (based on preliminary information provided by the Lake County Assessor).
- Recovery of expired TIF EAV totaling an estimated amount \$47,013,543.
- New construction being added to the tax rolls for the first time totaling an estimated \$6,260,610 in EAV.
- The Property Tax Extension Limitation Law (PTELL) CPI allowance of 5.0% for Tax Year 2022.
- 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 2021 tax rates which were paid in calendar year 2022). 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 2021 Village tax levy, the following comparison illustrates the impact of the 2022 levy and the amount of tax a Libertyville property owner will pay to the Village of Libertyville:

IMPACT ON A LIBERTYVILLE HOMEOWNER
 (Assumes a 3.5% increase in the Equalized Assessed Valuation)
 EAV is Approximately 1/3 Market Value

2021 Home Value	2021 EAV	2021 VILLAGE TAX	2022 Estimated EAV	2022 EST TAX	DOLLAR INCREASE	% CHANGE
\$300,000	\$100,000	\$694	\$103,499	\$710	\$16	2.3%
\$400,000	\$133,333	\$925	\$137,999	\$947	\$21	2.3%
\$500,000	\$166,667	\$1,157	\$172,499	\$1,184	\$27	2.3%
\$600,000	\$200,000	\$1,388	\$206,999	\$1,420	\$32	2.3%

The proposed 2022 Village tax levy will result in a 2.3% increase to a typical property owner's tax bill for the Village of Libertyville that will be paid in 2023 (does not include schools and other taxing bodies).

The total CPI allowance under the Property Tax Extension Limitation Law (PTELL) for tax year 2022 (payable in 2023) is 5.0%. An average homeowner in Libertyville is expected to experience a 2.3% increase in the Village portion of their property tax bill, which is 2.7% less than the CPI allowance. The dollar amount percentage change for an existing taxpayer between tax year 2021 and tax year 2022 was held below the change in CPI due to growth in base EAV, the addition of \$6,260,610 in taxable property (new growth) in the Village, and the recapture of \$47,013,543 in TIF EAV.

The Village of Libertyville has a favorable tax rate in comparison to surrounding communities. The following table compares Libertyville's 2021 tax rate (taxes paid in 2022) 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 in the surrounding communities.

LEVY YEAR 2021 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	0.751106	0.940292	0.657097	2.348495	\$3,914
Deerfield	0.908070	0.705490	0.604563	2.218123	\$3,697
Mundelein	1.469733	-	0.465559	1.935292	\$3,225
Grayslake	0.547249	0.832104	0.476805	1.856158	\$3,094
Lindenhurst	0.352977	0.764476	0.448895	1.566348	\$2,611
Lake Forest	1.521676	-	-	1.521676	\$2,536
Highland Park	0.904287	-	0.608232	1.512519	\$2,521
Antioch	0.970353	0.528703	-	1.499056	\$2,498
Buffalo Grove	0.904390	-	0.490551	1.394941	\$2,325
Lake Bluff	0.797144	-	0.506051	1.303195	\$2,172
Lincolnshire	0.250723	0.817906	-	1.068629	\$1,781
Vernon Hills	-	0.612797	0.445734	1.058531	\$1,764
Libertyville	0.694114	-	-	0.694114	\$1,157
Gurnee	-	-	0.507394	0.507394	\$846