

Tax Levy Process & FAQs

1. What is a Levy?

The amount of money a governmental entity (like a public school district) certifies to be raised from property tax.

2. What is an extension?

The process in which the County Clerk calculates the tax rate needed to raise the revenue (levy) allowable by law and certified by each school district in the county. The total extension is the product of the district's equalized assessed valuation (EAV) multiplied by its calculated tax rate and is equal to the total property tax billings on the district's behalf.

3. What is the Equalized Assessed Valuation (EAV)?

In most counties in Illinois, tax levy amounts are based on home values or EAV and the Consumer Price Index (CPI). The EAV is calculated by averaging the home value over the past three years and then dividing by three (3). EAV usually amounts to approximately 1/3 or 33% of the home's value.

Example: Home value of \$300,000 = \$100,000 EAV (approximately)

4. What is new property?

New property is property within the district boundaries that has been newly developed and initially assessed during the tax year. It is important to capture all the property tax available in the first year of new construction as this will set future tax revenues available going forward. It is imperative in the first year of a large EAV increase to request the tax levy increase appropriately.

5. What is The Truth In Taxation Act?

The Truth in Taxation Act was passed as law on July 29, 1981. The Act places certain requirements on taxing districts in the adoption procedures of their tax levies. One of those procedures is that a District (or taxing body) must provide public notice and conduct a public hearing if the increase is greater than 105% of the previous year's extension.

6. How does the district determine its levy?

Each year the administration prepares the estimated tax levy that is presented to the Board of Education for discussion in November and approves it in December.

7. How does EAV affect property taxes?

The EAV is the base on which property tax is calculated. The District requests an

amount to be levied on the assessed valuation of all property in the District boundaries. The amount requested in relation to the EAV is how the tax rate of the district is calculated. That tax rate is then applied to each individual property's EAV to determine the taxes paid for that particular parcel of property.

8. Why is the District proposing a levy which is greater than 105% of the prior year's extension?

The proposed levy is designed to capture revenue from new construction. It does not impact taxpayers with no new construction or increase in the value of their property. It only impacts new construction or increases in the EAV in the District. The proposed levy allows the district to receive the full tax revenue from new construction. If the District does not approve the increased proposed tax levy, the District will lose potential revenue this year and every year going forward. The current levy will allow the district to capture funds for future capital projects and to cover the cost of inflation, increases in benefits for staff members (health insurance), and raises to stay competitive locally and to cover the cost of the increases in minimum wage (\$1/per hour increase every year until it hits \$15/hour on January 1, 2025).

9. How have the District's financial matters been managed?

The District has maintained a 4.0 (out of 4.0) financial rating with ISBE (Illinois State Board of Education) which is the equivalent of the rating of Recognition, the highest designation possible. Expenditures have been managed conservatively and with forethought to being good stewards of the taxpayers' money. Local property taxes account for a majority of the District's revenues (over 50%).

10. How does the District's tax rate compare to other districts and to past CEL rates?

The 2022 tax rate was 2.68201. With the proposed tax levy, the tax rate would be 2.6608 which is essentially the same. The tax rate is not increasing, but CEL will receive more local tax money due to the increase in EAV.

LOCAL TAX RATES	2021	2022
Chester-East Lincoln CCSD #61	2.68835	2.68201
Lincoln Elementary District #27	3.53716	3.57600
New Holland-Middletown	3.69772	3.77737
West-Lincoln Broadwell	1.99784	2.25336
Lincoln Community High School	2.30060	2.29189

CEL TAX RATE HISTORY

	2017	2018	2019	2020	2021	2022	2023 Estimate
Tax Rate	2.75290	2.74357	2.71574	2.72766	2.68835	2.68201	2.6608
EAV	\$78,201,586	\$80,580,904	\$83,833,447	94,346,639	97,667,405	\$103,068,973	\$110,788,839

11. Will my taxes increase?

That depends. The estimated tax rate is actually decreasing, so if your individual property has steady EAV, then your taxes will likely reflect a small decrease. If your assessed valuation has increased, then it is possible that you will see a change in your property taxes. For example, if you have a home with a market value of \$150,000, your EAV would be $\frac{1}{3}$ of that, or \$50,000. In 2021, your portion of property tax going to CEL would be about \$1,344 ($50,000 \times .0268835$). If your EAV stayed the same in 2022, the portion of property tax going to CEL would be about \$1,341 ($50,000 \times .0268201$). Equalized Assessed Valuation (EAV) is determined by the Logan County Supervisor of Assessments and is not affected by the tax levy passed by the District. If your EAV stays the same in 2023, the portion of property tax going to CEL would be \$1,330.

12. When will the Board of Education approve the levy?

To keep the tax rate the same, the district administration is proposing a levy that maintains the current tax rate; however, due to the increase in EAV, the increase is greater than 105% which means we must conduct a public hearing on the text levy. The public hearing on the tax levy will be scheduled before the next regular scheduled meeting on December 19, 2023 at 5:45 PM. The purpose of the meeting is to seek and listen to public input. The levy will be approved after the public hearing at the regular scheduled board meeting.