

VILLAGE OF LIBERTYVILLE 2019 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 2019 tax levy will be incorporated in the property tax bills property owners receive in 2020 and will be collected between June and September of 2020. These funds will be used by the Village to fund a portion of the 2020-2021 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 2019 total equalized assessed valuation is expected to increase approximately 1.3%, which should lower 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 2020-2021 annual budget, the period during which the funds will be used. However, the Village Board and Staff utilize a five-year financial plan, which has been discussed and will guide the preparation of the 2020-2021 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 2019 Village Tax Levy

After reviewing three options, the Village Board is considering a 2019 net tax levy in the amount of \$8,469,937 (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 proposed tax levy represents a 2.926% increase over the extended 2018 Village property tax levy of \$8,229,164. The Village Staff anticipates that the estimated 2019 levy will result in a property tax rate of 0.658918. The increase includes funding for repayment of the voter-approved road bonds that were issued in 2012, 2013, 2014 and 2015.

TAX LEVY COMPARISON - 2018 & 2019

FUND	2018 EXTENDED LEVY			2019 PROPOSED		
	LEVY	ABATEMENT	EXTENSION	LEVY	ABATEMENT	EXTENSION
CORPORATE	1,020,289	0	1,020,289	1,190,923	0	1,190,923
FIRE	753,006	0	753,006	753,000	0	753,000
STREETS/BRIDGES*	0	0	0	0	0	0
PARKS	378,001	0	378,001	378,000	0	378,000
RECREATION	378,001	0	378,001	378,000	0	378,000
IMRF/FICA	334,208	0	334,208	334,200	0	334,200
Sub-Total General Fund	2,863,505	0	2,863,505	3,034,123	0	3,034,123
POLICE PENSION	2,058,141	0	2,058,141	2,058,130	0	2,058,130
FIRE PENSION	1,487,105	0	1,487,105	1,487,098	0	1,487,098
Sub-Total Pensions	3,545,246		3,545,246	3,545,228	0	3,545,228
Sub-total General & Pensions	6,408,752	0	6,408,752	6,579,351	0	6,579,351
SRA	194,000	0	194,000	194,000	0	194,000
BONDS(See Below)	4,103,833	2,477,420	1,626,413	4,189,003	2,492,418	1,696,586
GROSS LEVY	10,706,584	2,477,420	8,229,165	10,962,354	2,492,418	8,469,937
NET PROPERTY TAX REVENUE			8,229,165			8,469,937

* For comparison purposes, the Township levies are combined.

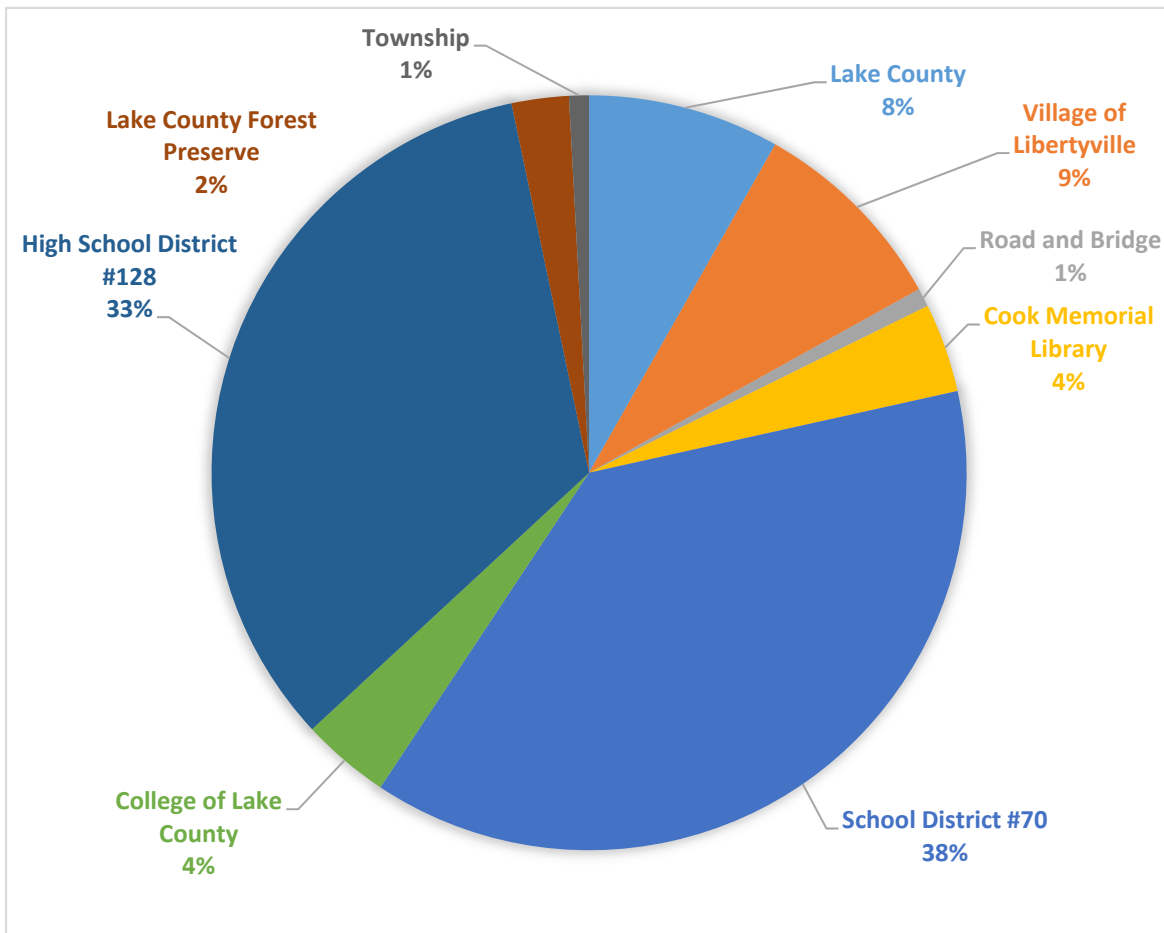
BONDS	2018 <u>Levy</u>	2018 <u>Extended</u>	2019 <u>Levy</u>	2019 <u>Extended</u>
2018: Adler Pool (2008 GO Limited Tax); 2019: Stormwater/Facilities Limited Tax (2019 GO Limited Tax)	213,610	215,746	280,593	280,593
Sports Complex (2010A Refunding)	536,255	0	533,255	0
Sports Complex (2010B Taxable Refunding)	336,463	0	336,750	0
Sports Complex (2010C Refunding)	579,975	0	585,675	0
Road Bonds (2012A GO Bond)	318,125	321,306	323,425	323,425
Water/Sewer (2012B Alt Revenue)	258,800	0	265,000	0
Road Bonds (2013A GO Bond)	361,488	365,102	364,888	364,888
Water/Sewer (2013B Alt Revenue)	304,125	0	303,425	0
Water/Sewer (2014A Alt Revenue)	317,000	0	318,300	0
Road Bonds (2014B GO Bond)	348,650	352,137	354,050	354,050
Road Bonds (2015A GO Bond)	368,430	372,114	373,630	373,630
Water/Sewer (2015B Alt Revenue)	160,913	0	150,013	0
	<u>4,103,833</u>	<u>1,626,413</u>	<u>4,189,003</u>	<u>1,696,586</u>

In attempting to determine the 2019 property tax levy, the Village Board has taken the following items into consideration:

- An increase of approximately 1.3% 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.
- Maintaining existing contribution levels to the Police and Fire Pension funds.
- Projections contained in the Village's Five-Year Financial Plan.
- 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 2018 tax rates which were paid in calendar year 2019). 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 estimated 2019 Village tax levy, the following comparison illustrates the impact of the 2019 levy and the amount of tax a Libertyville property owner will pay to the Village of Libertyville:

IMPACT ON A LIBERTYVILLE HOMEOWNER

(Assumes a 1.3% increase in the Equalized Assessed Valuation)

EAV is Approximately 1/3 Market Value

2018 Home Value	2018 EAV	2018 VILLAGE TAX	2019 Estimated EAV	2019 EST TAX	DOLLAR INCREASE	% CHANGE
\$300,000	\$100,000	\$648	\$101,297	\$663	\$14	2.2%
\$400,000	\$133,333	\$865	\$135,063	\$883	\$19	2.2%
\$500,000	\$166,667	\$1,081	\$168,829	\$1,104	\$23	2.2%
\$600,000	\$200,000	\$1,297	\$202,594	\$1,325	\$28	2.2%

The proposed 2019 Village tax levy will result in a 2.2% increase to a typical property owner's tax bill for the Village of Libertyville that will be paid in 2020 (does not include schools and other taxing bodies).

The increase of 2.2% is driven in part by the issuance of new Limited Tax General Obligation Bonds in June, 2019. Funds from this bond issuance are supporting a limited amount of stormwater sewer improvements as well as repairs to aging Village facilities. Since the debt service on the new bonds is slightly higher than the old bonds being replaced, it was anticipated that a home valued at \$500,000 would experience a one-time increase of \$8. Net of the new debt issuance, the dollar increase in the tax levy for a typical home would be 1.4%, less than the 1.9% CPI used to prepare the tax levy.

The Village of Libertyville has a favorable tax rate in comparison to surrounding communities. The following table compares Libertyville's 2018 tax rate (taxes paid in 2019) 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 2018 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>
North Chicago	5.616839	-	0.794084	6.410923	\$10,685
Waukegan	3.030271	-	0.946210	3.976481	\$6,627
Round Lake Beach	0.783479	1.069320	0.738583	2.591382	\$4,319
Mundelein	1.419415	-	0.473570	1.892985	\$3,155
Grayslake	0.548789	0.818505	0.463757	1.831051	\$3,052
Deerfield	0.567732	0.625448	0.548122	1.741302	\$2,902
Lindenhurst	0.359060	0.764690	0.459172	1.582922	\$2,638
Antioch	1.024340	0.555892	-	1.580232	\$2,634
Buffalo Grove	0.907405	-	0.479764	1.387169	\$2,312
Highland Park	0.771777	-	0.535243	1.307020	\$2,178
Lake Forest	1.278230	-	-	1.278230	\$2,130
Lake Bluff	0.746993	-	0.476166	1.223159	\$2,039
Lincolnshire	0.241003	0.751084	-	0.992087	\$1,653
Vernon Hills	-	0.563712	0.410963	0.974675	\$1,624
Libertyville	0.648492	-	-	0.648492	\$1,081
Gurnee	-	-	0.500364	0.500364	\$834