

# VILLAGE OF ROSCOE

## AGENDA ITEM - STAFF REPORT



**Agenda Item:** Resolution establishing the **estimated tax levy** for tax year 2024

**Date:** November 15, 2024

**Meeting:** Village Board – 11/19/2024

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**Department:** Administration / Finance

### Overview/Background Information

As part of the annual budgetary and tax levy process, the Village must establish an estimated property tax levy for the upcoming fiscal year. This process ensures compliance with the Truth in Taxation Act (35 ILCS 200/18-55), which requires public notice and a hearing if the proposed levy exceeds 105% of the previous year's property tax extensions. The tax levy provides funding for essential municipal services, including public safety, infrastructure maintenance, and community enhancements.

### Key Factor Influencing the Levy - Increase in Equalized Assessed Value (EAV):

The Village's total EAV increased significantly due to market-driven value adjustments and new property growth, including an additional \$4,447,357.00 equalized *new* property value (\$13,342,071.00 market value).

### Levy Proposal:

At the October 15, 2024, Committee of the Whole (COTW) meeting, the Village Board discussed and provided direction on the 2024 tax levy. Based on these discussions and updated financial projections, staff recommends establishing an estimated tax levy of **\$1,760,026**, representing a **4% increase in total dollars** over the 2023 levy.

### Impact on Tax Rate:

Despite the increase in the total levy amount, the overall growth in EAV results in an **8% decrease in the tax rate** assessed against individual properties.

### Effect on Property Owners:

For most property owners, any increase in property taxes will be driven by higher assessed values stemming from current market conditions, rather than the Village's tax levy. This year's levy adjustment mitigates the financial impact on homeowners by offsetting tax rate increases, ensuring fair and manageable taxation levels.

### Key Issues

2024 Estimate Tax Levy = 1,760,026 (4% increase in total dollars)

2024 Estimate Tax Rate = .5303 (8% decrease in individual property tax rate)

### Fiscal Note/Budget Impact

**Example 1:** An owner-occupied property with a 2023 assessed value of \$192,417.00 (\$577,251.00 market value) would have paid the Village \$1,075.63 in property taxes. If in 2024, the assessed value of that property was increased to \$214,410.00 (\$643,230.00 market value), due to the lower tax rate, that property owner would only pay an additional \$29.57 in 2024 (or 2.7 percent more in property taxes to the Village), even though the value of the property increased 11.8%.

**Example 2:** An owner-occupied property with a 2023 assessed value of \$52,212.00 (\$156,636.00 market value) would have paid the Village \$266.64 in property taxes. If in 2024, the assessed value of that property was increased to \$58,556.00 (\$175,668.00 market value), due to the lower tax rate, the property owner would only pay an additional \$12.06 in 2024 (or 4.5 percent more in property taxes to the Village), even though the value of the property increased 13.7%.