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**VILLAGE OF SUGAR GROVE  
BOARD REPORT**

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**TO:** VILLAGE PRESIDENT & BOARD OF TRUSTEES  
**FROM:** MATT ANASTASIA, FINANCE DIRECTOR  
**SUBJECT:** 2021 PROPOSED PROPERTY TAX LEVY ANNOUNCEMENT  
**AGENDA:** NOVEMBER 2, 2021 REGULAR BOARD MEETING  
**DATE:** OCTOBER 29, 2021

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**ISSUE**

Should the Village announce and approve the estimated and proposed 2021 property tax levy.

**DISCUSSION**

State statute requires that the Village announce and approve its estimated and proposed 2021 property tax levy at least 20 days prior to the passage of the tax levy ordinance. The tax levy ordinance is scheduled for approval on December 7, 2021, in advance of the December 31, 2021, filing deadline.

Staff recommends that the Village Board announce an estimated and proposed tax levy of \$3,738,516, which is a 29.50% increase over last years aggregate tax levy extension. After reductions for bond abatements, actual EAV adjustments, and tax extension limits for the Village, the estimated property taxes are \$1,879,680, which is \$47,619 (2.60%) above the 2020 extension amount of \$1,832,061.

The Special Assessment (SBA No. 17) for the Mallard Point/Rolling Oaks Area project will continue in the amount of \$75,218.92.

The SSA No. 10, which consists of the Sugar Grove Center, will NOT have a tax levy for tax year 2021, collectible in 2022.

Attached is the memo describing the tax levy process and the spreadsheet used to calculate the tax levy.

**COST**

Costs associated with this item include the required publication notice, estimated to cost \$300. These costs will be deducted from account 01-56-6503, Publishing, which has a budget balance remaining of \$400.

## **RECOMMENDATION**

That the Board announce the estimated and proposed 2021 property tax levy in the amount of \$3,738,516. The Board also announce the Special Assessment (SBA No. 17) for the Mallard Point/Rolling Oaks levy in the amount of \$75,218.92.

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**VILLAGE OF SUGAR GROVE**  
**MEMO**

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**TO:** VILLAGE PRESIDENT & BOARD OF TRUSTEES  
**FROM:** MATT ANASTASIA, FINANCE DIRECTOR  
**SUBJECT:** 2021 PROPERTY TAX LEVY PROCESS  
**DATE:** OCTOBER 29, 2021

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It's that time of year again when the Village, as well as all taxing bodies in the State, establishes its property tax levy for 2021. The Village must pass the Tax Levy Ordinance and file the Ordinance with the County Clerk's office no later than Tuesday, December 31, 2021. During the beginning of the following calendar year, the County Clerk's office calculates the tax extension. The Village will then receive tax collections from Kane County in various installments from May 2022 through December 2022.

There are two State Statute provisions that affect the Village's tax levy process. The first provision is what is commonly known as the "Tax Cap". In the early 1990's, State legislators approved the Property Tax Limitation Act, which provides that operating levy increases cannot exceed the Consumer Price Index increase for the prior calendar year, plus new growth. New growth consists of annexations of property and new building activity. For the 2021 tax levy, the CPI is 1.4%. New growth is even more difficult to determine during the current economy and construction period.

Because the Village and similar taxing bodies are not in a position to precisely estimate new growth, a consistent means of developing the tax levy is to increase the prior year levy by an over-inflated amount. The taxing bodies do this because if a taxing body's assumption on growth is too low, the taxing body loses the revenue increase related to those properties forever. During the tax extension process, the County will then decrease the proposed levies to the maximum amount allowed under the Tax Cap.

The second State Statute provision that affects the levy process is what is known as the Truth in Taxation Act. The Act provides that if the proposed property tax levy, excluding the debt portion, exceeds the prior year's property tax extension (excluding debt) by more than 5%, then the Village must meet certain public hearing and notice/publication requirements outlined in the Act. In addition, the amount of the proposed property tax levy, regardless of size, must be announced at least 20 days prior to passage of the Tax Levy Ordinance.

Based upon the above provisions, I have prepared a tax levy totaling \$3,738,516 that reflects a 29.50% increase over the 2020 tax levy extension. This year's levy amount includes \$847,763.00 in General Obligation Bonds that will be abated in the current year. Based upon prior experience and the current economic situation, the actual levy amount extended and collected should be approximately 2.60% above last year's levy extension. Details of the proposed tax levy can be found on the attached spreadsheet.

The schedule for passage of the tax levy is as follows:

<b>Date</b>	<b>Action</b>
November 2, 2021 Board Meeting	Announcement and presentation to the Village Board of the proposed tax levy in the amount of \$3,738,516.
November 4, 2021	Publish public hearing notice in the Kane County Chronicle
November 16, 2021 Board Meeting	Conduct the public hearing
December 7, 2021 Board Meeting	Pass Tax Levy and related Ordinances
December 14, 2021	File ordinances and Truth in Taxation Certificate with County Clerk's Office

Also, be advised that for levy purposes, the Village has two General Obligation Alternate Revenue Bonds outstanding dated 2013A and 2017. These bond issues use revenue sources other than property taxes to fund debt service payments; however, the bond issues have an ultimate funding backup of property taxes. State Law provides that each year the Village must pass abatement ordinances so property taxes are not extended on the bond issues. Staff will place the Abatement Ordinances before the Board for consideration at the December 7, 2021, Board Meeting.

In addition, the Village passed a special assessment ordinance in 2012 to assess a tax levy to cover the costs of improvements in the Mallard Point/Rolling Oaks Area. These taxes are required to pay down the principal and interest on the debt assumed by the Village to cover the cost of the improvements.

There currently is an SSA No. 10 on the properties that comprise the Sugar Grove Center. The detention basin at the southeast corner of Capitol Drive and Park Avenue have not been maintained for more than a year. There are 17 property owners that are currently in this SSA. The Village will not levy a tax for tax year 2021, collectable in 2022.

Should you have questions regarding this matter, please contact me.



## Sample Property Tax Bill

	Tax Year 2019	Tax Year 2020	Annual Change
<i>Market Value</i>	\$276,823	\$286,181	\$9,358
<i>Assessed Valuation</i>	92,265	95,384	3,119
<i>Less: Homestead Exemption</i>	6,000	6,000	-
<i>Net Assessed Valuation</i>	86,265	89,384	3,119
<i>Extended Village Tax Rate</i>	0.5437	0.5402	(0.0035)
<i>Village Portion of Tax Bill</i>	\$468.99	\$482.85	\$13.86

**Village Tax Levy Increase between years – 3.15%**

**Tax Year 2019 Levy Aggregate - \$1,776,088**

**Tax Year 2020 Levy Aggregate - \$1,832,061**

**Village Tax Year 2021 Levy Estimated Increase – 2.60% or \$12.55**

**\*\*THIS EXAMPLE IS SPECIFIC TO ONE RESIDENTIAL HOME. THERE ARE NO ASSUMPTIONS MADE FOR MARKET VALUE AND EAV FOR TAX YEAR 2021\*\***



**NOTICE OF PROPOSED PROPERTY TAX LEVY  
FOR THE VILLAGE OF SUGAR GROVE, ILLINOIS**

- I. A public hearing to approve a proposed property tax levy increase for the Village of Sugar Grove, Illinois for 2021, will be held on Tuesday, November 16, 2021, at 6:00 p.m. at the Sugar Grove Municipal Center, 10 South Municipal Drive, Sugar Grove, Illinois.

Any person desiring to appear at the public hearing and present testimony to the taxing district may contact Matt Anastasia, Finance Director, 10 South Municipal Drive, Sugar Grove, IL (630) 391-7215, and [manastasia@sugargroveil.gov](mailto:manastasia@sugargroveil.gov)

- II. The corporate property taxes extended or abated for 2020 were \$2,886,824 and special purpose property taxes extended or abated for 2020 were \$75,218.92.

The proposed corporate property taxes to be levied for 2021 are \$3,738,516. This represents a 29.50% increase over the previous year. Special purpose property taxes to be levied for 2021 are \$75,218.92, this represents a 0.00% increase over the previous year.

- III. The property taxes extended for debt service and public building commission leases for 2021 were \$0.00.

The estimated property taxes to be levied for debt service and public building commission leases for 2021 are \$0.00. This represents a 0.00% increase over the previous year.

- IV. The total corporate property taxes extended or abated for 2020 were \$2,886,824.19. The total special purpose property taxes extended for 2020 were \$75,218.92.

The estimated total corporate property taxes to be levied for 2021 are \$3,738,516.16. This represents a 29.50% increase over the previous year. The estimated total special purpose property taxes to be levied for 2021 are \$75,218.92, this represents a 0.00% increase over the previous year.

Alison Murphy  
Village Clerk  
Village of Sugar Grove, IL