



**CITY OF WASHINGTON, ILLINOIS**  
**Public Hearing Agenda Communication**

**Meeting Date:** December 9, 2024

**Prepared By:** Joanie Baxter, CPA – Finance Director *JB*

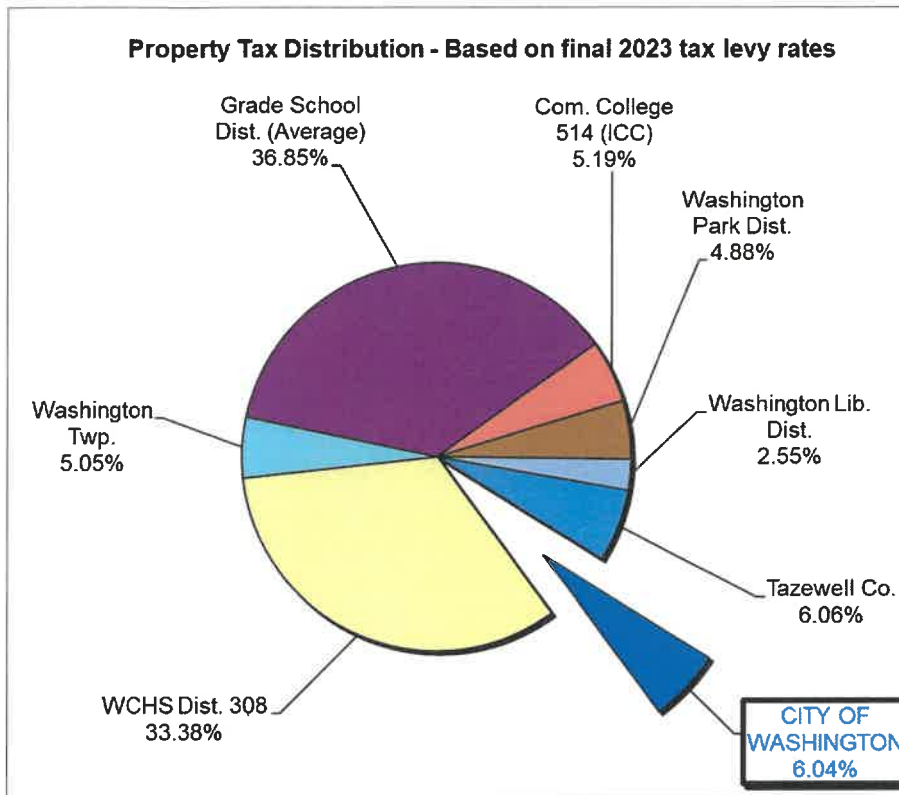
**Agenda Item:** Public Hearing – 2024 Municipal Property Tax Levy

The 2024 municipal property tax levy as proposed would add an additional \$181,053 to the levy amount which equates to an 8.56% increase when compared to the prior year levy that was extended and a 6.9% increase when the abatement amounts are included. Because of the increase in assessed valuation resulting from equalization as well as new development – the **tax rate for the City portion of the tax bill of \$.53676 is projected to remain unchanged.**

The proposed increase would help to defray some of the increase to the Fire and Ambulance contract (\$210,132 of the \$307,354 annual increase). Of the total taxes proposed to be levied, **68.4% are for pensions, 20.5% are targeted for the Fire and Ambulance contract** (\$470,904 of the \$1.4M contract with remaining \$932,852 from the General Fund), **4% for the General Fund**, and the remaining **7.1% for the special levies.**

<b>2023 RATE SETTING EAV</b>	<b>\$ 394,272,725</b>	<b>Actual</b>		
<b>2024 PROJECTED Rate Setting EAV</b>	<b>\$ 428,000,000</b>	<b>Tentative</b>	<b>per Tazewell Co. as adjusted due to potential BOR reductions (reported at 429,922,277)</b>	
	<b>8.55% Increase in EAV</b>		<b>181,053</b>	<b>additional revenue due to increase in EAV</b>
			<b>Tax rate remains unchanged</b> <i>(Total levy amount increase is equal to the increase in the special levies less the \$100,000 PPF extra contr. from prior year plus \$210,132 add'l in Fire/Amb levy)</i>	
<b>LEVY</b>		<b>2023 Extension</b>	<b>2024 Tax Levy</b>	<b>Proposed Change 23 to 24</b>
<b>Retirement/Pension Levies</b>				
Police Pension		830,523	857,300	26,777
Police Pension - extra		100,000	-	(100,000)
IMRF		348,025	358,000	9,975
SS/Medicare		335,014	355,000	19,986
		<b>1,613,562</b>	<b>1,570,300</b>	<b>(43,262)</b>
<b>Other</b>				
Tort Judgments/Liability	<b>Subtotal</b>	115,009	128,000	12,991
Audit		30,004	31,200	1,196
Civil Defense		4,022	4,018	(4)
Fire		86,070	164,816	78,746
Ambulance		174,702	306,088	131,386
General Corporate Fund		92,930	92,930	-
	<b>Subtotal</b>	<b>502,737</b>	<b>727,052</b>	<b>224,315</b>
<b>GRAND TOTAL LEVY</b>		<b>\$ 2,116,299</b>	<b>\$ 2,297,352</b>	<b>\$ 181,053</b>
<b>TAX RATE</b>		<b>\$0.53676</b>	<b>\$0.53676 (Est.)</b>	

The City's portion is 6% of the overall tax bill based on 2023 final rates as depicted below:



A Resolution setting the Tentative Tax Levy for 2024 was approved on November 18, 2024 in the amount of \$2,297,352. This represents an increase in excess of 5% over the 2023 extended levy and as such, a public hearing is required and will take place on December 9, 2024.

Because of the second consecutive year of increases in excess of 7% in the Equalized Assessed Valuation (EAV) and due to the confusion regarding the quadrennial reassessment – Staff reached out for further clarification. Following is the result of that discussion which was shared with Council last week:

*Due to the questions on November 18, 2024 regarding the increase in Equalized Assessed Valuation (EAV) that is being used for the development of the 2024 proposed tax levy – I wanted to provide some additional clarification. Jon and I reached out again to the Township Assessor, April Morgan as well as the Tazewell County Supervisor of Assessments, Nicole Jones to further discuss this issue and make sure we understand this very complex process.*

*Through our discussion with Nicole, we found that the process starts with the State of Illinois EVERY YEAR in which the state is considered as a whole and an average property value increase determined based on a 3-year lookback. As you might imagine, this average may not be representative of smaller communities when larger cities like Chicago are included. As evidence of this – the factor that the State returned for 2024 was 30.92%. This rate is given to the counties and they along with the townships go through a process to further refine the rate based on the local real estate sales and other factors affecting values. Based on a resulting modified factor (called an equalization factor) as set by the county – the townships and county as a whole must fall within an acceptable range of the 33 1/3 of market value. If this isn't done, the State will step in and set the equalization factor.*

*Following the work done by both Washington Township and Tazewell County – the state factor of 30.92% was modified to 7.79% for 2024 and this was applied to all properties except farmland and farm buildings in the Washington Township. The exception to this increase is for those with an eligible senior citizen/low income exemption of which application must be made on an annual basis.*

Interesting to note is Nicole said during Gary Twist's 14-year tenure as Tazewell County Supervisor of Assessments – a factor was applied only a few times. This is because houses were being sold much closer to their assessed value and thus no adjustments were needed. During this same time, our overall EAV was still increasing because of the boom in housing development. Nicole indicated that the final equalization factors set by the county were 2.5% for 2022, 7.03% for 2023, and 7.79% for 2024.

In summary, the 7.79% increase was made across the board in Washington for 2024 taxes payable in 2025. This increase is due to the need to adjust values to closer to what the market is bearing.

The quadrennial reassessment in contrast, is more of a review of individual properties and adjustments due to specific circumstances and although required every four years is done on an ongoing basis because of the size of the township. Those increases are not made across the board to all properties.

Below is the impact of the 7.79% increase on property tax bills in which the City of Washington represents 6.04% of the overall bill (based on the 2023 rates). The remainder of the increase up to the proposed 8.56% is due to new development which will not increase the property taxes due.

2024 Property Tax Bill	City of Washington portion of property tax bill (6.04%)	7.79% equalization factor increase	Estimated increase of City of Washington portion
\$1,000.00	\$60.40	\$65.11	\$4.71
\$2,000.00	\$120.80	\$130.21	\$9.41
\$3,000.00	\$181.20	\$195.32	\$14.12
\$4,000.00	\$241.60	\$260.42	\$18.82
\$5,000.00	\$302.00	\$325.53	\$23.53
\$7,500.00	\$453.00	\$488.29	\$35.29
\$10,000.00	\$604.00	\$651.05	\$47.05