



Tazewell County Presentation

for

Washington Schools

Illinois County School Facility Tax
Public Act 9-70542



Required Language on the Ballot

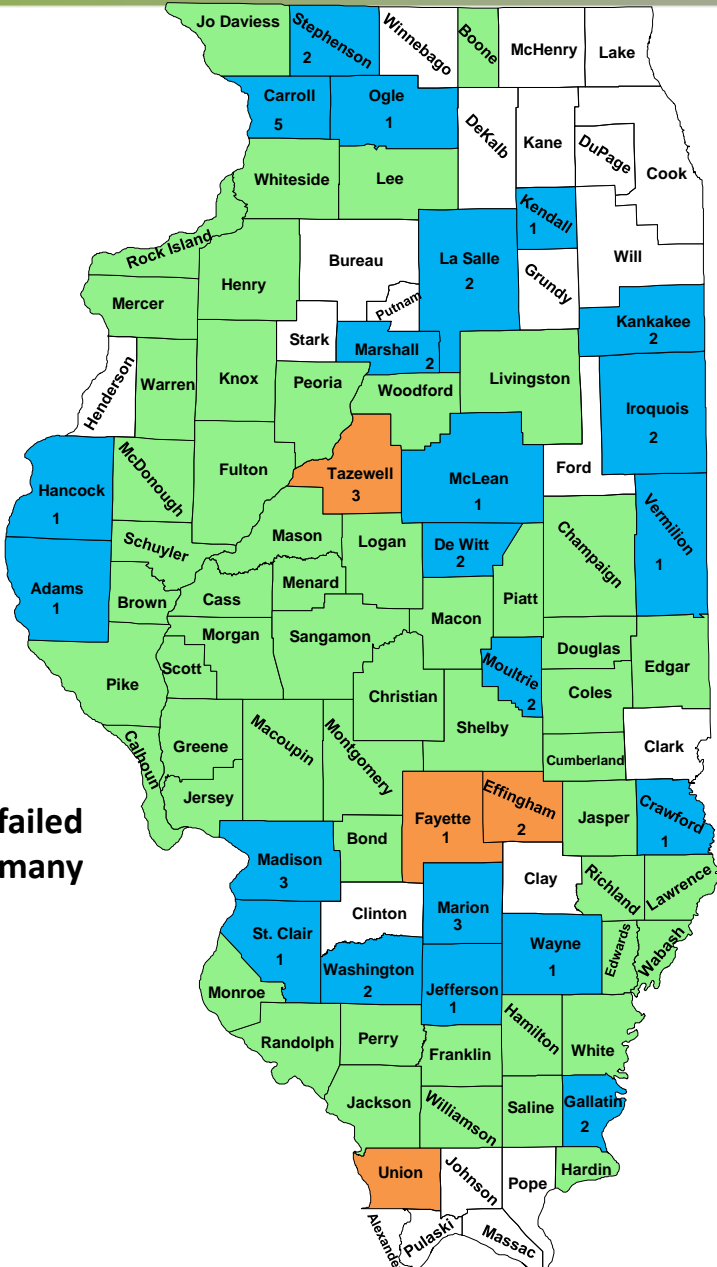
Shall a retailer's occupation tax and a service occupation tax (commonly referred to as a "Sales Tax") be imposed in Tazewell County at a rate of 1% to be used exclusively for school facility purposes?

Illinois County School Facility Tax

- ▶ Law went into effect 2007
- ▶ Allows county voters to approve a sales tax to fund school facility costs
- ▶ 1% maximum
- ▶ Has passed in 54 Illinois counties to date
- ▶ Woodford, Peoria, Fulton, Mason, Logan to name a few

Illinois County School Facilities Sales Tax Map (Voting April 2019)

- = Counties Voting April 2019
- = Counties with CSFT (54)
- = Counties in which CSFT failed (25). Number indicates how many times CSFT failed.



Low Impact on Business and Fixed Income Persons

▶ Sales Tax Base:

- Everything in the municipal and county sales tax base is included except for:
 - Cars, Trucks, ATVs
 - Boats, RVs, and Mobile homes
 - Unprepared Food (grocery)
 - Medications (including over the counter)
 - Farm Equipment and Parts
 - Farm Inputs

“If it is not currently taxed, it will not be taxed”

Can Use Funds For

Cannot Be Used For

New Construction
Additions/Renovations

Instructional Costs
Text Books

Security, Disabled Access, Safety
Ongoing Maintenance

Buses
Detached Furniture & Fixtures

Architectural Planning
Equipment (stationary)

Computers
Moveable Equipment

Fire Prevention & Life Safety
Land Acquisition

Operating Costs
Salaries and Overhead

Energy Efficiency
Parking Lots & Lighting

Roof Repairs
Demolition

Refund Property Taxes Levied for
Existing Capital Bonds

Flow of the Funds:

- ▶ If passed at April election, it is possible for districts/ county to complete the paperwork in time to begin the tax collection July 1st 2019.
- ▶ The “Illinois Dept. of Revenue” would receive all sales tax dollars like usual.
- ▶ By Oct. the Dept. of Revenue should start transferring the revenue from the 1% school tax to the regional office of education.
- ▶ The ROE would disburse the funds to the Tazewell Co. districts monthly on a per pupil basis.
- ▶ Districts can budget to spend the new revenue in their FY20 Budgets(19- 20 school year).

Revenues do not flow through the Illinois General Assembly budget process and are not subject to cuts similar to what districts currently experience relating to State Aid.



R.O.E.



All shoppers in County pay on qualified sales

Distributed by R.O.E. on a per resident-pupil basis



2% withheld by IL Dept. of Revenue – Common to sales taxes

The money follows the student

Specific Revenue Generated

- ▶ Based on 2017 county sales tax figures
 - A(1%) school facility tax would generate \$13,741,161 in Tazewell County
 - Funds are distributed to districts based on the number of Tazewell County students they have in their district. (\$656 per student)
 - District 50 ~ \$502,738
 - District 51 ~ \$889,308
 - District 52 ~ \$603,811
 - District 308 ~ \$936,563
 - Rankin \$150,000; Pekin 108 \$2,375,864; Dee- Mack \$660,582; Tremont \$656,316
 - Morton \$2,033,267; Pekin 303 \$1,202,371; Robein \$101,729; East Peoria 86 \$1,025,822

Ways to Use Funds

- ▶ Pay as you go Capital Projects
 - Sales Tax can be saved up over time for future projects
- ▶ Issue New Bonds for current capital needs
 - Support bonds with sales tax
- ▶ Retire Existing Debt issued for capital purposes
 - Abate Taxes
 - Refund qualifying debt
- ▶ Any Combination of the above


1% Tax can Reduce Property Taxes

- ▶ The new funds can reduce the current property tax rates by the district using the sales tax funds to pay off existing building bonds and not levying for the payment.
- ▶ The district can also avoid having to raise property taxes to fund future projects, by using the sales tax revenue to fund their projects going forward.

Potential Property Tax Rate Relief


- ▶ District #50 (up to \$0.43 rate reduction or \$161.74 based on a \$100,000 Home)
- ▶ District #51 (up to \$0.33 rate reduction or \$90.61 based on a \$100,000 Home)
- ▶ District #52 (up to \$0.29 rate reduction or \$79.44 based on a \$100,000 Home)
- ▶ District #308 (up to \$0.18 rate reduction or \$50.38 based on a \$100,000 Home)

How we plan on using the funds:


The District #308 Board of Education has voted to apply  no less than 50% of the revenues for the abatement (reduction) of property tax. The district will use the revenues to pay off existing debt (like outstanding building bonds) AND pay for new facility projects reducing the need to levy local property tax.

Facility projects include:


- Enhance Security systems to better protect students, staff and community members
- Upgrade HVAC system to improve efficiency and reduce maintenance costs (Boiler replacement- Current system installed in 1990's)
- Classroom renovations and improvements in the 1956 and 1962 additions

Central 51 is committed to using the funds generated  from from future sales tax in the following ways to improve our facilities and better serve our community:

- Parking Lot Resurfacing
- Playground Blacktop Resurfacing and Improvements
- Classroom Renovations
- Upgrade HVAC system to improve efficiency and reduce maintenance costs (Boiler Replacement and/or Enhancements)
- Enhance Security systems to better protect students and staff
- Future Property Tax Relief
- Reduce Existing Bond Debt

District 52 is committed to using the funds generated  from future sales tax in the following ways to improve our facilities and better serve our community:

- Future planning of a new Lincoln Grade School (5- 7 yrs)
- Future Property Tax Relief
- Reduce Existing Bond Debt
- Upgrade HVAC system to improve efficiency and reduce maintenance costs
- Enhance Security systems to better protect students and staff
- Improve Health and Safety conditions
- Structural Improvements

Washington District 50 Schools is committed to using  the funds generated from future sales tax in the following ways to improve our facilities and better serve our community:

- Enhance Security systems to better protect students and staff
- Improve Health and Safety conditions
- Facilities Renovations and Improvements
- Improvements to enhance student drop- off and pick- up and improve traffic flow at both buildings
- Reduce Existing Bond Debt
- Future Property Tax Relief

Local Sales Tax Rates:

City	Sales Tax Rate
Pekin	9.0%
Morton	7.00%
Washington	8.50%
East Peoria/Levy District	8.50%–9.50%
Peoria/Bus. Districts	9.00%–10.00%
Bloomington	8.75%
Normal	8.75%

Summary

- ▶ This is a new revenue source for schools
- ▶ It will allow schools to maintain and improve their facilities for their students and the public without raising property taxes.
- ▶ All people passing through our communities will be helping to pay for the betterment of our schools from now on.
- ▶ Even with the 1% increase our sales tax rates will still be in line with other communities in IL.

Required Language on the Ballot

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**VOTE on
April 2nd
2019!**