



BOARD REPORT

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES

FROM: KARIN JOHNS, FINANCE DIRECTOR

SUBJECT: PROPOSED 2026 TAX YEAR LEVY ANNOUNCEMENT AND DISCUSSION

AGENDA: 10/20/2026

DATE: 10/15/2026

ISSUE

The Village must announce the estimated and proposed 2026 property tax levy.

DISCUSSION

Property Tax Levy Process

The Village must pass the Tax Levy Ordinance and file the Ordinance with the County Clerk's office no later than Tuesday, December 29, 2026. During the beginning of the following calendar year, the County Clerk's office calculates the limiting extension and, if the Village's request has exceeded the tax extension limitation, the levy amount will be reduced accordingly. The Village will then receive tax collections from Kane County in various installments from May 2027 through December 2027.

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 2026 tax levy, the CPI is 2.7%. Kane County Clerk released an estimated Tax Year EAV generally in September of each year showing the change in the Village's EAV, as well as estimated New Construction numbers.

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.

State statute requires that the Village announce and approve its estimated and proposed 2026 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 15, 2026 in advance of the December 29, 2026, deadline.

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

Date	Action
October 20, 2026 Board Meeting	Announcement and presentation to the Village Board of the proposed tax levy in the amount of \$2,163,034
November 10, 2026 Board Meeting	Public Hearing and Continued Discussion of the 2026 Levy
December 1, 2026 Board Meeting	Continued Discussion of the 2026 Levy
December 15, 2026 Board Meeting	Pass Tax Levy and related Ordinances
December 18, 2026	File ordinances with County Clerk's Office

Analysis

For Tax Year 2026, the Staff Recommended Levy request is **\$2,163,034** an increase of 4.90% over the last year's final levy extension of \$2,061,996. This is the maximum request that the Village can make without triggering Truth in Taxation requirements. This will allow the maximum allowable levy allotment to the Village and will require the County to reduce the levy. This extra allowance, is to capture all new property EAV which is not finalized until early 2026, after the property tax levy needs to be filed.

The final levy extension is estimated to be closer to **\$2,138,159**, an estimated increase of **3.69%**. This includes a **2.70% CPI increase** on the existing EAV of the Village, with **1.0% increase** to capture the increased property taxes from estimated New Construction as currently estimated by the County. With the current estimates from Kane County on New Construction, it is anticipated the Village would receive 1.0% increase in Property Taxes for Tax Year 2026 from New Construction, roughly \$20,489 and 2.70% increase from CPI, roughly \$55,674. Early in 2027, Kane County will finalize EAV's and new construction, at which point, if there is no change to the New Construction EAV's, the amount of \$2,138,159 will be extended for the Village's Tax Year 2026 Extension (*\$2,061,996 Tax Year 2025 Aggregate Extension + \$55,674 Tax Year 2026 CPI Amount + \$20,489 Tax Year 2026 New Construction*).

Also, be advised that for levy purposes, the Village has one remaining General Obligation Alternate Revenue Bonds outstanding dated 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 15, 2026, 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. The Special Assessment (SBA No. 17) for the Mallard Point/Rolling Oaks Area project will continue in the amount of \$75,218.92.

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 years. There are 15 PINs that are currently in this SSA. SSA No. 10, which consists of the Sugar

Grove Center, will have a tax levy for tax year 2026, collectible in 2027. For the 2025 Tax Levy, the board increased the levy to allow for additional maintenance. Staff is not recommending another increase at this time. The Levy is calculated in an amount that does not exceed an annual rate of one-half percent (0.5%, being \$0.50 per \$100) of the equalized assessed valuation thereof. The Tax Year 2026 Levy will be \$0.25 per \$100 EAV, totally an estimated \$20,300 in tax collections in 2027.

COST

There is no cost associated with this discussion and announcement.

ATTACHMENTS

- Illinois Department of Revenue Histories of CPI's used for PTELL
- Assessor Estimated EAV Report

RECOMMENDATION

That the Board announce the estimated and proposed 2026 property tax levy as follows:

- Tax Year 2026 Levy in the amount of \$2,163,034
- Special Assessment (SBA No. 17) for the Mallard Point/Rolling Oaks levy in the amount of \$75,218.92.
- Special Service Area No. 10 Sugar Grove Center at \$0.25 per \$100 in EAV.

Illinois Dept. of Revenue
History of CPI's Used for the PTELL
1/13/2026

Year	December CPI-U	% Change From Previous December	% Use for PTELL	Comments	Levy Year	Years Taxes Paid
1991	137.900	--				
1992	141.900	2.9%	2.9%		1993	1994
1993	145.800	2.7%	2.7%	(5 % for Cook)	1994	1995
1994	149.700	2.7%	2.7%		1995	1996
1995	153.500	2.5%	2.5%		1996	1997
1996	158.960	3.6%	3.6%		1997	1998
1997	161.300	1.5%	1.5%		1998	1999
1998	163.900	1.6%	1.6%		1999	2000
1999	168.300	2.7%	2.7%		2000	2001
2000	174.000	3.4%	3.4%		2001	2002
2001	176.700	1.6%	1.6%		2002	2003
2002	180.900	2.4%	2.4%		2003	2004
2003	184.300	1.9%	1.9%		2004	2005
2004	190.300	3.3%	3.3%		2005	2006
2005	196.800	3.4%	3.4%		2006	2007
2006	201.800	2.5%	2.5%		2007	2008
2007	210.036	4.08%	4.1%		2008	2009
2008	210.228	0.1%	0.1%		2009	2010
2009	215.949	2.7%	2.7%		2010	2011
2010	219.179	1.5%	1.5%		2011	2012
2011	225.672	3.0%	3.0%		2012	2013
2012	229.601	1.7%	1.7%		2013	2014
2013	233.049	1.5%	1.5%		2014	2015
2014	234.812	0.8%	0.8%		2015	2016
2015	236.525	0.7%	0.7%		2016	2017
2016	241.432	2.1%	2.1%		2017	2018
2017	246.524	2.1%	2.1%		2018	2019
2018	251.233	1.9%	1.9%		2019	2020
2019	256.974	2.3%	2.3%		2020	2021
2020	260.474	1.4%	1.4%		2021	2022
2021	278.802	7.0%	5.0%		2022	2023
2022	296.797	6.5%	5.0%		2023	2024
2023	306.746	3.4%	3.4%		2024	2025
2024	315.605	2.9%	2.9%		2025	2026
2025	324.054	2.7%	2.7%		2026	2027

Assessor Estimated EAV Report by Tax District
Kane County

078 - SUGAR GROVE VILLAGE

Totals		New Construction	
Board of Review Abstract	581,076,965	Commercial	1,382,784
- Exemptions	48,310,448	Farm	192,302
- Under Assessed	0	Industrial	0
+ State Assessed	372,657	Local Rail Road	0
Total EAV	533,139,174	Mineral	0
- Tif Increment / Ezone	5,409,957	Residential	3,484,862
Rate Setting EAV	527,729,217	Total	5,059,948

Exemption Category	Commercial		Farm		Industrial		Local Rail Road		Mineral		Residential		State Rail Road		Totals	
	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count
Parcel Count		164		152		91		0		1		4,269		0		4,677
Board of Review Abstract	36,809,220		7,707,721		28,738,943		0		819,674		507,001,407		0		581,076,965	
- Home Improvement	0	0	0	0	0	0	0	0	0	0	842,665	201	0	0	842,665	201
- Veteran's	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ State Assessed	0		0		0		0		0		0		372,657		372,657	
= EAV	36,809,220	0	7,707,721	0	28,738,943	0	0	0	819,674	0	506,158,742	201	372,657	0	580,606,957	201
- Senior Assessment Freeze	0	0	0	0	0	0	0	0	0	0	3,090,621	80	0	0	3,090,621	80
- Owner Occupied	16,000	2	8,000	1	0	0	0	0	0	0	25,275,980	3,163	0	0	25,299,980	3,166
- Senior Citizen's	8,000	1	0	0	0	0	0	0	0	0	7,602,170	951	0	0	7,610,170	952
- Disabled Person	0	0	0	0	0	0	0	0	0	0	76,000	38	0	0	76,000	38
- Disabled Veteran	0	0	0	0	0	0	0	0	0	0	11,391,012	78	0	0	11,391,012	78
- Returning Veteran	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Natural Disaster	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Fraternal Freeze	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Vet Freeze	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Under Assessed	0		0		0		0		0		0		0		0	0
- E-Zone	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- TIF	2,309,739	0	790,802	0	2,199,753	0	0	0	0	0	109,663	0	0	0	5,409,957	0
- Drainage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Value	34,475,481		6,908,919		26,539,190		0		819,674		458,613,296		372,657		527,729,217	