

Mount Vernon Airport increases its tax levy

This is first time in nearly a decade that levy has been raised

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MOUNT VERNON — Mount Vernon Outland Airport has increased its annual property tax levy for the first time in nearly a decade.

On Tuesday, Aug. 13, the Mount Vernon Airport Authority Board of Commissioners approved the 2024-2025 annual tax levy ordinance, which shows a 4.99% increase over the prior year. A 4.99% increase is the maximum tax hike allowable, by law, without a referendum.

Initially, in June, the airport's tentative budget showed a frozen levy amount once again. However, Mount Vernon Airport Director Chris Collins and the Airport Board ultimately decided that a levy increase for 2024-2025 was necessary.

The new total levy amount is \$129,272, compared to the pre-

vious year's \$123,128. The airport's levy had been frozen at \$123,128 for the past nine years, said Collins.

"It was a very difficult decision to make, and there were many reasons for it," Collins said. "We're very concerned about the decrease in the Personal Property Replacement Tax, which is our largest line item on the income side of our budget. ... There was about a 28% reduction in PPRT revenues in the fiscal year that just expired. And our forecasting is for that trend to continue downward, and for the PPRT to settle somewhere back to the pre-COVID levels."

PPRT is a 2.5% tax on corporations on their net Illinois income. Up until the pandemic, the airport usually received about \$200,000 in annual revenue from this tax. However, the revenue amount went up significantly post-pandemic, and reached \$500,000 a few years ago. Last year, though, it went down to \$395,000 and experts have indicated to Collins that PPRT totals are probably headed back down to pre-pandemic levels, Sentinel archives state.

Another concern for airport officials is the continuing inflation and how the cost of goods

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Chris Collins

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and services keeps increasing every year. The cost of the health insurance and benefits package for all airport employees rose by 30% last month, minimum wage is at \$14 an hour and even a postage stamp costs 73 cents, Collins said.

"Everything is just trending upward, and we've been very fortunate to keep that levy frozen for this long," Collins said. "These tax levies, once a tax levy is increased, the money isn't received for almost two years. If we freeze it for one more year and the revenues continue downward, we're going to look back at this point and say why didn't we make this adjustment. ... All these things pointed to it probably being right to make this increase."

The airport's property tax levy only affects local taxpayers who live within the airport district. The airport's levy is an item on their tax bill. How this new levy increase will affect the tax bill amount is unclear, and will depend on the local Equalized Assessed Valuation (EAV) which involves the assessed value of properties.

Collins said that the airport's levy is the second lowest item amount on local property tax bills. The only one lower is for the Rend Lake Conservancy District. Collins said that he expects this will continue to be the case, even with the levy increase.

"We're hoping (that) the EAV continues to outpace the 4.99%, so our taxpayers would not see much of an increase," Collins said, later adding, "I'm still fairly confident we'll be the second lowest one on the bill. ... We do realize that any increase is an increase. We didn't want to do it."

The levy increase is just one of several initiatives that the airport is undertaking to deal with rising costs. A few months ago, the airport approved a 5% increase in rent across the board for all tenants, which are people who use the airport for storing planes and renting facilities.

Furthermore, the airport is also moving forward on a solar energy project that could significantly reduce the airport's power bill.

"We don't want to look back on this a few years from now and say (that) we made a mistake (by not raising the levy)," Collins said. "There's always a hope that the PPRT won't keep decreasing, but we don't have a crystal ball. We want to be proactive, not reactive."

Also on Tuesday, the Airport Board approved the 2024/2025 annual budget ordinance and the prevailing wage rate ordinance. The board also heard updates on various projects. 8-20-24