

INTERGOVERNMENTAL AGREEMENT ON PROPERTY TAX REFUNDS

This Intergovernmental Agreement on property tax refunds (Agreement) is entered into by and among the Board of Education of Rockford School District No. 205, Winnebago and Boone Counties, Illinois (School District), the City of Rockford, Winnebago and Ogle counties, Illinois (City) and the Board of Commissioners of Rockford Park District (Park District), all units of local government organized and existing under the laws of the State of Illinois.

WHEREAS, the Illinois Constitution, Article VII, Section 10(a) authorizes school districts and units of local government to associate among themselves to cooperatively exercise their powers in any manner not prohibited by law; and

WHEREAS, the Intergovernmental Cooperation Act, 5 ILCS 220/1 et seq., allow units of local government and school districts to contract with each other to perform any governmental service, activity or undertaking which such entities are authorized by law to perform; and

WHEREAS, the School District, City and Park District desire to create an intergovernmental agreement on residential property tax refunds which is compliant with the policies of all three participants, constitutes the proper exercise of governmental authority and tends to foster sales and recovery of owner occupied single family residential real estate; and,

WHEREAS, the School District, City and Park District each receive a substantial portion of its operating revenue from local real property tax levies; and,

WHEREAS, the real estate tax base within the boundaries of each signatory hereto has eroded and it is in the best interest of each signatory and its electorate to seek means to sustain and grow such real estate tax base and stabilize residential occupancy; and,

WHEREAS, the School District, the City, and the Park District are empowered by Illinois law, statutory authority or the reasonable extension thereof to authorize and pay property tax refunds; and,

WHEREAS, this Agreement is entered into between and for the joint benefit of the School District, City and the Park District and such further taxing districts with boundaries lying within or partly within the limits of the City who adopt and execute this Agreement, collectively, signatories hereto and no right, duty, benefit nor entitlement is intended or created in favor of any person or entity not a signatory hereto; and

NOW, THEREFORE, the City, School District and Park District agree as follows:

1. Exercise of Powers/Purpose.

a. The School District, City and Park District (the Governing Bodies) and such other taxing districts which may approve and adopt this Agreement (hereinafter collectively referred to as Participants) hereby acknowledge and agree that this Agreement constitutes a joint exercise of the powers of each party as granted by law of the State of Illinois, and the obligations and undertakings herein set forth are a proper joint exercise of each party's authority. The Agreement is intended to qualify as an intergovernmental cooperation agreement under the above cited Constitution and statute.

b. The purpose of this Agreement is to establish for the time and under the provisions set forth in this Agreement a system of residential real property tax refunds for purchasers of certain owner occupied single family residential real estate within the boundaries of the City (the "Homebuyer's Property Tax Refund Program").

2. Property Tax Refunds.

The Participants approve the system of refund of property taxes upon the terms and conditions set forth in this Agreement and within the terms, limitations and conditions set forth in Exhibit A attached hereto and made a part hereof.

3. Joint Oversight Committee.

There is created by this Agreement a Joint Refund Oversight Committee. The Committee shall be composed of one designated representative from each Participant as selected by the chief executive officer of each Participant. The duties of the committee shall include, but not be limited to review of procedures for refunds and assessing the effectiveness of the program as an incentive for growth in sales, new construction, and recovery of distressed single family residential real estate and preparation of reports to Participant's regarding the refund system operation, effectiveness and statistical information. Administration of refund payments and operation of the Homebuyer's Property Tax Refund Program is conducted through the City.

4. Duration.

The Eligibility Period for applicants for refunds shall commence as stated in Exhibit A and shall terminate December 31, 2016 all as provided in Exhibit A. This Agreement shall terminate upon the final payment of property tax refunds to eligible approved home owners. This Agreement, and the Eligibility Period, may be extended for an additional period of time upon the written approval of all Participants subsequent to resolution of each Participant approved by its governing body and specifying the duration of extension which shall be coterminous with all Participants. The Effective date of this Agreement shall be that date upon which the last entity of the School District, the City and the Park District have approved this Agreement by resolution or ordinance.

5. Costs, expenses and funding.

Each Participant shall be responsible for its own costs and expenses of operation of the refund system and funding for the total amount of any refunds issued by such Participant; provided, the City shall bear the cost of administration and payment processing.

6. No private right of action.

This Agreement does not create nor is intended to establish any private right of action against any Participant by any individual based upon or as a claim for refund. The issuance of refunds is entirely discretionary and within the sole decision of each Participant. The determination of eligibility of any applicant for refund shall be based exclusively on the criteria set forth in Exhibit A attached to this Agreement and determined by the City; provided that eligibility or application approval shall not be based upon any impermissible criteria including without limitation, gender, race and age.

7. Termination.

This Agreement shall terminate by expiration of time pursuant to the provisions of section 4. In the event any court of proper jurisdiction determines that any one or more of the Governing Bodies is without authority to issue refunds or that the Agreement does not constitute a proper exercise of intergovernmental authority and enters a final order to such effect, this Agreement shall then terminate and all refund payments shall immediately cease. In the event of termination of Eligibility Period by expiration of time, Participants agree to complete all refund payments to eligible approved home owners who have qualified property and are eligible for refunds on or prior to the date of expiration of the Eligibility Period. In the event of termination by court order, no further refund payments shall be made by any Participant subsequent to the date of such final order.

8. Indemnification.

Each Participant shall and does hereby indemnify and hold harmless the other Participants from and against any claims, actions, causes of action, damages, losses, costs and expenses, including reasonable attorney's fees, arising solely from any claim against a Participant based on or related to the action of one or more other Participants.

9. Additional taxing district participants

Any unit of local government which is a taxing district and which is authorized to enter into intergovernmental agreements under the provisions of the Illinois Constitution and the Intergovernmental Cooperation Act may become a Participant and signatory hereto upon adoption of this Agreement and the Homebuyer's Property Tax Refund Program. Such adoption must include all terms and conditions of the Homebuyer's Property Tax Refund Program.

10. Notices.

The effective date of written notice shall be the date of hand delivery or the date such notice is placed in the U.S. Mail addressed as indicated below. If required or permitted to be given, all written notices to the City, the School District and the Park District shall be directed as follows:

School District:	Superintendent of Schools Rockford Public Schools 501 Seventh Street Rockford, Illinois 61104	Copy to:	General Counsel Rockford Public Schools 501 Seventh Street Rockford, Illinois 61104.
City of Rockford:	Office of the Mayor 425 E. State St. 8th Floor Rockford, IL 61104	Copy to:	City Legal Director 425 East State Street 7th Floor Rockford, IL 61104
Park District:	Executive Director Rockford Park District 401 S. Main Street Rockford, Illinois 61101	Copy to:	Michael Scheurich, Attorney at Law 2601 Reid Farm Road Suite B Rockford, IL 61114

Written notices to other Participants shall be as specified by each such Participant in its adopting resolution or ordinance.

11. Miscellaneous.

- A. This Agreement is binding upon and shall inure to the benefit of the successors of the parties.
- B. This Agreement is not assignable.
- C. The invalidity of any provision of this Agreement shall not render invalid any other provision. In the event a court of competent jurisdiction declares, finds, or rules that a provision of this Agreement is invalid or unenforceable, such provision shall be severed and the remaining provisions shall remain in full force and effect subject to the provisions of section 7.
- D. Failure of a party to insist upon strict and prompt performance of the terms, conditions, covenants and agreements herein contained shall not constitute nor be construed as a waiver or relinquishment of rights to enforce any such term, condition, covenant or agreement and the same shall condition in full force and effect. In the event of a waiver of a breach or default of any term, condition, covenant or agreement, such shall not serve to waive any additional or future breach or default.
- E. This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of Illinois.
- F. This Agreement contains the entire and integrated agreement of the parties and shall supersede any prior written or oral agreements or understandings.
- G. This Agreement may only be altered or amended in manner specified herein, or by the express written consent and agreement of the parties.
- H. This Agreement shall not serve to limit nor restrict the ability and authority of the Board of Education of Rockford School District No. 205, nor the City Council of the City of Rockford nor the Board of Commissioners of the Rockford Park District, nor the governing board of any Participant from making, adopting, amending or revising any of its policies and procedures nor serve as an encumbrance on any revenues.

IN WITNESS WHEREOF, the parties have executed this Agreement effective the ___ day of _____, 2015.

Board of Education of Rockford School
District No. 205, Winnebago-Boone
Counties, Illinois

BY: _____

City of Rockford Illinois

BY: _____

Board of Commissioners of
Rockford Park District

BY: _____

EXHIBIT A

PROPERTY TAX REFUNDS FOR FORECLOSURES, SHORT SALES AND NEW CONSTRUCTION

“Participants”, as used in this Exhibit A, shall mean those units of local government which levy and collect real property taxes and whose boundaries lie within or partially within the boundaries of the City of Rockford Illinois and which entity has adopted, in accordance with law and their respective rules of procedure, the Intergovernmental Agreement to which this Exhibit A is attached;

“IGA”, as used in this Exhibit A, shall mean that certain Intergovernmental Agreement on Property Tax Refunds to which this Exhibit A is attached.

This document shall be referred to as the “Homebuyer’s Property Tax Refund Program” and referred to herein as the “Program”.

“Program Administrator” as used in this Agreement shall mean the City of Rockford, Illinois.

PROPERTY TAX REFUNDS - FORECLOSURE:

- (A) Participant shall refund the Participant’s property taxes levied on a Foreclosed or Short Sale property that is sold to single-family residential home owner that occupies the home as their Principal Residence as provided in this Program if the Program Administrator finds that the owner of the home has complied with the terms of this Program and is entitled to such refund. The Program and benefits are contingent upon the IGA and this section of the Program being enacted by the City of Rockford, the Rockford Park District and the Rockford Public School District 205 (the Governing Bodies).
- (B) The City of Rockford shall be the Program Administrator, in accordance with the terms and conditions of the Program, and shall be responsible for the development and use of such forms and documents as may be necessary to qualify properties and homeowners for refunds, determine qualified properties and home owners, notify Participants of the total amount of refunds due for qualified properties and home owners, and distribute Participant refunds to home owners in accordance with the Program.
- (C) Refunds shall be approved for Foreclosures and Short Sales where:

1. The applicant for the refund is the owner of a previously Real Estate Owned or Short Sale property that is a single-family house located within the corporate limits of the city of Rockford.
2. The property must be titled by the mortgagee within 60 days of the sheriff’s sale or execution of the Deed in Lieu of Foreclosure, or within 60 days of the adoption of the Program. A “Short Sale” is defined as an arms-length sale that includes a mortgage lender forgiving not less than 10% of the outstanding mortgage indebtedness to effect the sale.
3. The applicant must have the property under contract for purchase executed before December 31, 2016, The sales transaction must close after March 17, 2016, the public announcement of the proposed program, and before March 31, 2017. The property must be occupied as the applicant’s Principal Residence by March 31, 2017.
4. There are no open Code violations against the applicant or the residence from any unit of local government. The applicant is not delinquent in the payment of any property tax imposed within Winnebago County or on any financial obligation of any kind owed to the City.

5. The applicant is the owner of the house; recipient of the owner occupied property tax exemption applicable to the house; and, resides in the house as their principal residence continuously from March 31, 2017 through the date of any refund payment. ('Principal Residence' is the primary location that a person inhabits.)
6. There is no challenge to the assessed value of the property or to the amount of taxes owed or paid.
7. The applicant provides a written acknowledgement that the applicant shall have the sole responsibility (when applicable) for reporting any refund to the IRS as part of their annual income tax filling.

(D) The amount of the refund shall be limited to:

1. One hundred percent (100%) of the Participant property taxes imposed on the real estate for the year of the purchase.
2. One hundred percent (100%) of the Participant property taxes imposed on the real estate for the year following the purchase.
3. One hundred percent (100%) of the Participant property taxes imposed on the real estate for the second year following the purchase.

(E) It shall be the responsibility of the person applying for the refund to establish by clear and convincing evidence that he or she is eligible for the refund requested. The applicant shall submit a verified application for the refund to the City of Rockford Finance Director. Said application shall be filed on or after June 1 and before September 30 in the year in which a refund is due. A new application shall be made for every year for which a refund is sought. The City of Rockford Finance Director may request any form of documentation or information she believes may assist her in her determination that the applicant for abatement is entitled thereto, and the failure of any applicant to supply such information in a timely manner when requested shall constitute a withdrawal of the application.

(F) Enrollment of an eligible property shall be on such forms as the City of Rockford Finance Director may prescribe and shall be completed prior to the last business day in January of 2017. Compliance of conditions which occur after the last business day in January of 2017 may be required to be entitled to a refund.

(G) If the City of Rockford Finance Director is satisfied that the applicant for a refund under the program is entitled to receive the refund, such Finance Director shall advise each Participant of the amount of refund for approval of each Participant which shall authorize the refund if it finds the requirements of the Program and the IGA have been met and shall authorize disbursement of the refund amount to the City of Rockford for distribution to the qualified home owners.

(H) If the Participant approves an application for refund, the applicant shall have paid the full amount of taxes imposed as if there were to be no refund. Upon proof of that payment to the City of Rockford Finance Director, the Finance Director shall then refund to the owner the authorized refund. Refunds shall be paid within 60 days of the presentation of all required documentation and receipt of Participants disbursements to the City of Rockford.

PROPERTY TAX REFUNDS - NEW CONSTRUCTION:

(A) Participants shall refund the Participant's property taxes levied on newly constructed single-family residential home owner that occupies the home as their Principal Residence as provided in the Program if the Program Administrator finds that the owner of the home has complied with the terms of the Program and is entitled to such refund. The program and benefits are contingent upon the IGA and the Program being enacted by the

City of Rockford, the Rockford Park District and the Rockford Public School District 205 (the Governing Bodies).

(B) The City of Rockford shall be the Program Administrator, in accordance with the terms and conditions of the Program, and shall be responsible for the development and use of such forms and documents as may be necessary to qualify properties and homeowners for refunds, determine qualified properties and homeowners, notify Participants of the total amount of refunds due for qualified properties and homeowners, and distribute Participant refunds to homeowners in accordance with the Program.

(C) Refunds shall be approved for New Construction where:

1. The applicant for the refund is the original owner of a newly constructed single-family house located within the corporate limits of the city of Rockford on lots platted on or before April 1, 2016.
2. The permit for the construction of the house was issued on or after March 17, 2016 (Or alternative date determined by the Governing Bodies) and before December 31, 2016, and an occupancy permit is issued by December 31, 2017.
3. There are no open Code violations against the applicant or the residence from any unit of local government. The applicant is not delinquent in the payment of any property tax imposed within Winnebago County or on any financial obligation of any kind owed to the city.
4. The applicant is the original owner of the house; recipient of the owner occupied property tax exemption applicable to the house; and, resides in the house as their principal residence from a reasonable time following the issuance of an occupancy permit through the date of any refund payment. ('Principal Residence' is the primary location that a person inhabits.)
5. There is no challenge to the assessed value of the property or to the amount of taxes owed or paid.
6. The applicant provides a written acknowledgement that the applicant shall have the sole responsibility (when applicable) for reporting any refund to the IRS as part of their annual income tax filing.

(D) The amount of the refund shall be limited to:

1. One hundred percent (100%) of the Participant property taxes imposed on the real estate in the first full year of completed construction; and
2. One hundred percent (100%) of the Participant property taxes imposed on the real estate in the second year of completed construction; and
3. One hundred percent (100%) of the Participant property taxes imposed on the real estate in the third year of completed construction.

(E) It shall be the responsibility of the person applying for the refund to establish by clear and convincing evidence that he or she is eligible for the refund requested. The applicant shall submit a verified application for the refund to the City of Rockford Finance Director (Finance Director). A new application shall be made for every year for which a refund is sought. Said application shall be filed on or after June 1 and before September 30 in the year in which a refund is due. The Finance Director may request any form of documentation or information she believes may assist her in her determination that the applicant for abatement is entitled thereto, and the failure of any applicant to supply such information in a timely manner when requested shall constitute a withdrawal of the application.

- (F) Enrollment of an eligible property shall be on such forms as the Finance Director may prescribe and shall be completed prior to the last business day in January of 2017. Compliance of conditions which occur after the last business day in January 2017 may be required to be entitled to a refund.
- (G) If the City of Rockford Finance Director is satisfied that the applicant for a refund under the Program is entitled to receive the refund, such Finance Director shall advise each Participant of the amount of refund for approval of each Participant which shall authorize the refund if it finds the requirements of the Program and the IGA have been met and shall authorize disbursement of the refund amount to the City of Rockford for distribution to the qualified home owners.
- (H) If the Participant approves an application for refund, the applicant shall have paid the full amount of taxes imposed as if there were to be no refund. Upon proof of that payment to the Finance Director, the Finance Director shall then refund to the owner the authorized refund.