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## Coalition Launches Homebuyer's Property Tax Refund Program

### *New Program Would Offer Three-Year Property Tax Rebate for Buyers of Foreclosed or Newly Built Homes in the City of Rockford*

**ROCKFORD, Ill. (March 17, 2016)** –A broad coalition of leaders from Rockford-area taxing bodies, along with the Rockford Area Association of Realtors, today announced a new program to encourage investment in Rockford neighborhoods by rebating property taxes for three years on residential properties.

**The Homebuyer's Property Tax Refund Program would offer purchasers of foreclosed or short-sale homes, as well as newly-built homes, in the City of Rockford a property tax refund for three years.** The refund, issued at the end of each tax year in a lump sum, would cover up to 100 percent of the owner's property tax bill, if all taxing bodies approve the program. Homebuyers must be under contract by December 31, 2016.

"Foreclosures have wreaked havoc on our local real estate market and every neighborhood has been adversely affected," said Steve Bois, Chief Executive Officer of the Rockford Area Association of Realtors, at today's news conference. "This is the creativity and inter-governmental cooperation that taxpayers and voters are demanding. Everyone wins with this unique program."

The program is being presented for adoption to the 11 taxing bodies found on a typical tax bill in the City of Rockford. Properties would be eligible for refunds from the taxing bodies that approve the program; currently 80 percent of a typical Rockford homeowner's property tax bill is paid to the Rockford Public Schools; City of Rockford; and the Rockford Park District. Other eligible taxing bodies include:

- Chicago Rockford International Airport
- Rock River Water Reclamation District
- Rock Valley College
- Rockford Public Library
- Rockford Township
- Rockford Township Highways
- Winnebago County
- Winnebago County Forest Preserve

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## **RAAR Property Tax Program—add one**

In 2015, according to the Rockford Area Association of Realtors, one out of three homes sold in Rockford was a foreclosure or short sale. This has created a drag on real estate values, dropping the typical sale price of \$98,500 down to \$47,500. In addition, the tough real estate market has nearly eliminated the demand for new single- family home construction, with fewer than 10 single- family building permits issue each year in the last four years.

### **Quick Facts about the Homebuyer's Property Tax Refund Program**

- **Eligible existing properties** include real property within the City of Rockford containing single family residential homes, which have been subject to foreclosure and are bank-owned by mortgagees or are documented short sales.
- **Eligible new-home construction** would include single-family homes on existing lots, with building permits pulled in 2016 after the program is approved by participating taxing bodies. Occupancy permits would be required by the end of 2017.
- **An estimated 100 homes in Rockford on the market today qualify for the program.** They range in price from \$8,300 to \$170,000. For perspective, roughly 650 homes sold in 2015 would qualify for the program, as about 220 sold between \$50,000 and \$288,000.
- **For a house valued at \$100,000, the annual refund may total up to \$4,000, assuming all taxing bodies approve the initiative.** Buyers may qualify if they are under contract for sale and purchase the day the initiative is approved by the governing bodies or any time until December 31, 2016.

### **Who Can Qualify?**

- If you are able to qualify to buy a house, you qualify for the program. Qualifying for other home-buying incentives does not impact your ability to participate in this program.
- Program participants must be purchasing a single-family home.
- The purchased home must be the buyer's primary residence. There will be a required annual proof of residency.
- Participants do not need to be first-time homebuyers, and they don't have to currently live in Rockford to participate.
- Homebuyers must be under contract by December 31, 2016.
- To view the existing properties, visit [www.homebuyerstaxrefund.org](http://www.homebuyerstaxrefund.org).