



**AGENDA ITEM EXECUTIVE SUMMARY**

Agenda Item number: IC

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|------------|---|
| Title:     | Requesting a motion to approve an Amendment to an Intergovernmental Agreement Between Certain Taxing Districts located in St. Charles Township Regarding Property Tax Evaluation Appeals. |
| Presenter: | Chris Minick, Finance Director  |

Meeting: City Council                      Date: December 2, 2019

|                   |                     |  |
|-------------------|---------------------|--|
| Proposed Cost: \$ | Budgeted Amount: \$ | Not Budgeted: <input type="checkbox"/> |
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**Executive Summary** *(if not budgeted please explain):*

Attached is an amended Intergovernmental Agreement between certain taxing districts located in St. Charles Township (City of St. Charles; St. Charles School District 303; St. Charles Township; St. Charles Township Cemetery; St. Charles Public Library; St. Charles Park District; St. Charles Township Road District; and Elgin Community College). The original Agreement was executed in 2008 and amended in June of 2019.

The current amendment to the agreement is to reflect the withdrawal of Kane County from the group. Since the County has the responsibility to convene the Board of Review, Kane County will evaluate the merits of assessment challenges on a case by case basis and decide whether or not to participate in individual assessment challenges.

The Purpose of this agreement is to coordinate efforts to review, monitor, contest, and defend the assessed valuation of real property within the boundaries of the Taxing Districts when a significant assessment challenge is filed. This Agreement shall only apply to real property that is before the Kane County Board of Review or the Illinois Property Tax Appeal Board (PTAB) in which the taxpayer is requesting a reduction in the Equalized Assessed Value (EAV) of \$100,000 or more (individually or collectively).

The IGA provides a process to intervene in assessment challenges and a process to split the legal costs (costs to defend) of any appeals greater than the \$100,000 threshold. Allocation of costs necessary to accomplish the defense of an appeal will be based on the member Taxing District's respective portion of the tax rate for each property in question. School District 303 will coordinate the valuation defense efforts, will act as the lead agency for valuation appeals, and will bill the individual districts for their appropriate share of defense costs.

The attached IGA reflects the property tax appeals valuation intervention process as discussed and reviewed at the Joint Meeting between the City Council and the School District Board that was held in late September.

**Attachments** *(please list):* Intergovernmental Agreement with Exhibit A

**Recommendation/Suggested Action** *(briefly explain):*

Requesting a motion to approve an Amendment to an Intergovernmental Agreement Between Certain Taxing Districts located in St. Charles Township Regarding Property Tax Evaluation Appeals..

# INTERGOVERNMENTAL AGREEMENT

**THIS AGREEMENT** is made and entered into by and between certain taxing districts located in St. Charles Township, Kane County, Illinois, listed on Exhibit A, attached hereto and made a part hereof (“Taxing Districts”)

## WITNESSETH:

**WHEREAS**, each of the parties to this Agreement is a governmental unit which exercises the power of taxation of real property and which is dependent to some degree upon tax revenues to carry out its duties and purposes; and

**WHEREAS**, certain property owners within the taxing areas of the parties to this Agreement have filed complaints seeking to reduce the assessed valuation of their properties; and

**WHEREAS**, the Taxing Districts wish to join together to review, monitor, contest and defend the assessed valuation of real property within the boundaries of their districts; and

**WHEREAS**, the Taxing Districts are authorized to enter into this Intergovernmental Agreement pursuant to Section 3 of the *Intergovernmental Cooperation Act*, 5 ILCS 220/3.

**NOW, THEREFORE**, in consideration of the terms and conditions contained in this Intergovernmental Agreement, and other good and valuable consideration, the Taxing Districts agree as follows:

1. **Purpose**. The purpose of this Intergovernmental Agreement is to review, monitor, contest and defend the assessed valuation of real property within the boundaries of the Taxing Districts.

2. **Method.** Upon approval of this Agreement, each taxing District shall designate a contact person within seven (7) days, in which all correspondence from the Kane County Board of Review (“Board of Review”) and the Illinois Property Tax Appeal Board (“PTAB”) will be sent. The designated contact person from the St. Charles Community Unit School District No. 303 shall act as the liaison (“Liaison”) between the Taxing Districts and the Board of Review and PTAB. All information relating to matters covered by this Agreement shall be sent to the Liaison.

This Agreement shall only apply to real property that is before the Board of Review or the PTAB in which the taxpayer is requesting a reduction in Equalized Assessed Value (EAV) of \$100,000 or more (individually or collectively). When such a reduction is sought, the Taxing Districts will be notified via email. Each Taxing District must notify the Liaison within seven (7) days of receipt of the notice whether or not it wants to challenge the reduction. If a majority of the Taxing Districts wish to challenge the reduction, then all the Taxing Districts will challenge the petition and pay their proportionate share of costs as set forth in Section 4 of this Agreement. If a majority of the Taxing Districts do not wish to challenge the reduction, then the Taxing Districts shall not be required to intervene or make any financial contribution.

3. **Powers of the Liaison.** The Liaison is hereby empowered to perform all acts necessary to the accomplishment of the aforesaid purpose including but not limited to hiring appraisers, consultants and attorneys.

4. **Procedure and Funding.** All funds necessary to accomplish the aforesaid purpose shall be payable pro rata based upon the member Taxing District’s respective portion of the tax rate for each property in question. All salaries, fees, per-diems and

other costs and expenses of the Taxing Districts' members are the sole responsibility of the governmental unit which employs those persons.

5. **Handling and Accountability of Funds.** The Liaison shall be responsible for handling the financial matters resulting from this Intergovernmental Agreement. All funding necessary to effectuate the purpose of this Intergovernmental Agreement shall be paid within thirty (30) days of billing.

The Liaison shall determine the amount owed by each of the Taxing Districts to this Intergovernmental Agreement as to each property for which expenditure of funds is required.

A report of all receipts and disbursements shall be forwarded to the Taxing District's Board of the parties to this Agreement on a quarterly basis. These reporting requirements shall only apply to any quarter in which receipts or disbursements have occurred.

6. **Submission of Appraisals and Report of Experts.** All reports or appraisals obtained from any experts pursuant to the purpose of this Intergovernmental Agreement shall be made available to each of the parties hereto.

7. **Additional Parties.** This Intergovernmental Agreement may be amended at any time for the purpose of adding additional parties. Those parties must be governmental units with taxing power within St. Charles Township, Kane County, Illinois and shall be admitted in the same manner as and shall have the same rights, responsibilities and duties as the original signatories to this Intergovernmental Agreement.

8. **Withdrawal.** Any party to this Intergovernmental Agreement shall have the right to withdraw from this Intergovernmental Agreement, in the following manner:

- a. The board of the withdrawing Taxing District shall pass a resolution declaring its intention to withdraw effective on a specified date, which shall not be less than thirty (30) days from the date of its resolution, and shall send a certified copy of said resolution to the Liaison not less than thirty (30) days before the effective date of the withdrawal.
- b. Withdrawal by any Taxing District shall not result in the discharge of any legal or financial liability incurred by such Taxing District before the effective date of withdrawal. All such liabilities shall continue until properly discharged or settled by the withdrawing Taxing District.

9. **Duration of Intergovernmental Agreement.** This Intergovernmental Agreement shall become effective upon the date of its approval by the board of each of the parties hereto. It shall remain in effect indefinitely in full force and effect until the occurrence of either of the following events:

- a. All Taxing District have withdrawn as provided for in Section 8, or
- b. All Taxing Districts, or all remaining governmental units, mutually agree to terminate this Intergovernmental Agreement by joint resolution passed by the boards of the parties to the Intergovernmental Agreement.

The termination of this Intergovernmental Agreement shall not act to discharge any liability incurred by the Taxing Districts who are parties to this Intergovernmental Agreement. After the effective date of termination, the Liaison shall discharge the debts and liabilities incurred under this Intergovernmental Agreement until such time as those have been fully discharged.

IN WITNESS WHEREOF, the parties hereto have caused this Intergovernmental Agreement to be signed and approved by the proper officers of each of the contracting parties, and attested by the proper officer, on the dates written below.

ST. CHARLES COMMUNITY  
UNIT SCHOOL DISTRICT 303  
KANE COUNTY, ILLINOIS  
By: [Signature]  
Its: PRESIDENT  
Dated: AUGUST 5, 2019

CITY OF ST. CHARLES  
KANE COUNTY, ILLINOIS  
By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Dated: \_\_\_\_\_

ST. CHARLES TOWNSHIP  
KANE COUNTY, ILLINOIS  
By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Dated: \_\_\_\_\_

ST. CHARLES TOWNSHIP ROAD  
KANE COUNTY, ILLINOIS  
By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Dated: \_\_\_\_\_

ST. CHARLES TOWNSHIP CEMETERY  
KANE COUNTY, ILLINOIS  
By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Dated: \_\_\_\_\_

ST. CHARLES PARK DISTRICT  
KANE COUNTY, ILLINOIS  
By: [Signature]  
Its: President  
Dated: 8/13/19

ST. CHARLES PUBLIC LIBRARY  
KANE COUNTY, ILLINOIS  
By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Dated: \_\_\_\_\_

ELGIN COMMUNITY COLLEGE  
KANE COUNTY, ILLINOIS  
By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Dated: \_\_\_\_\_

## **EXHIBIT A**

- St. Charles Community Unit School District 303
- City of St. Charles
- St. Charles Township
- St. Charles Township Road District
- St. Charles Township Cemetery
- St. Charles Park District
- St. Charles Library
- Elgin Community College