

Headlines



PROPERTY TAX REBATE PROGRAM EXPANDED

June 2, 2006

For the past twelve years, the City of Rock Island has offered a rebate of city property taxes for new single-family homes built anywhere in the city. To date, 185 property owners have taken advantage of the program that rebates up to \$1,500 in city taxes each year for a period of three years after the house is built. In addition, Rock Island Milan School District 41 has participated by agreeing to rebate 40% of the school district taxes for three years.

On May 15, 2006 the City Council modified the rebate program to generate more affordable new housing construction in two specific neighborhoods. The new program provides a 10 year, graduated rebate so that for the first year 100% of the city taxes would be rebated, 90% the second year, and so on until the property is paying the full tax at the end of 10 years. As with the current program, the city rebate will cap at \$1,500 per year.

The new program has two distinct advantages. First, it allows the property owner to gradually deal with increased taxes and better budget funds to cover this expense. Second, it ensures that after the first year the city receives at least some tax revenue from the property to support city services. The program was made available to those property owners already participating in the three-year rebate.

The program is targeted to the New Old Chicago neighborhood (located north of 12th Avenue and west of 12th Street) and the Downtown Tax Increment Finance (TIF) District. The New Old Chicago neighborhood is characterized by some of the oldest housing in the city (over 49% of the homes were built before 1939). In addition, demolition activity over the past twenty years has created much vacant land with little replacement housing (only 26 new homes built between 1980 and 2000). The rebate program is expected to stimulate new infill housing in the neighborhood.

One of the goals of downtown redevelopment efforts has been to create a residential neighborhood in The District. A good number of rental units, such as Sala Flats and Voss Brothers Lofts, have been developed yet only the Clipper Condos and Bowlby Condos have been developed as owner occupied properties. The rebate program has been extended to the TIF district to entice further owner occupied development in the downtown.

The three year rebate will remain in place for the balance of the City and the School District's rebate will remain at 40% for three years.

For further information on the 10-year tax rebate program, please contact the City of Rock Island at 732-2900.