

Country Club Hills sued over unpaid tax rebate

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A Country Club Hills resident on Wednesday filed a federal lawsuit seeking payment of a property tax rebate that the city promised to thousands of residents in 2012 but that was suspended because of the city's struggling financial condition.

Leora Bell is seeking to have her suit designated as a class action to cover all residents who were eligible for the rebate, contending that city residents are being deprived of their constitutional and property rights.

The City Council approved the tax rebate program in the spring of 2012, promising that eligible residents would get back a portion of the property tax they paid to the city in 2011 for the 2010 tax year. The rebate was put on hold, however, after Cook County sued Country Club Hills over a \$6.6 million overpayment made erroneously to the city by the county.

The issue of the tax rebate came up during the city's recent mayoral campaign, with two aldermen alleging that the rebate program was a sham — that the city didn't have surplus property tax income and just boosted the size of the city budget to have the money to cut the checks.

In 2010, with the county late in distributing Country Club Hills' share of property tax revenue, the city took a short-term loan of \$6.6 million. The county paid off that loan in October 2011 with tax money due to the city but erred in also giving Country Club Hills \$7.2 million in property tax revenue — failing to subtract the \$6.6 million used to pay the loan.

The city had spent the extra tax money it received and tried to persuade the county to consider a five-year repayment plan. But the state's attorney's office sued in July 2012, demanding immediate repayment of the money and accusing Country Club Hills of being able to afford tax rebates but crying poor when the county sought return of the overpayment.

The city had budgeted \$2.8 million for the rebates, according to Bell's lawsuit.

Ultimately, the city and county reached an agreement to spread out the repayment of the \$6.6 million, and the final payment was made during the city's fiscal year that ended April 30.

In her lawsuit, Bell asks that residents receive the rebate and that a judge also approve payment of legal fees and court costs incurred through her suit.

An attorney for Country Club Hills did not return a call Wednesday, seeking comment.

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