

## **HOME RULE INFORMATION PAPER**

The material provided in this paper is intended to assist Indian Head Park residents in their understanding of “home rule” so that they will be better informed when casting their ballots concerning the “home rule” referendum at the November 2, 2010 election.

### 1. What is “home rule”?

Home rule is the name given to describe the extent of authority that a local municipality may exercise in connection with municipal activities. A local municipality is either a “home rule” community or a “non-home rule” community. Pursuant to the 1970 Illinois Constitution, Article VII, Section 6, home rule allows greater decision making authority on the local level allowing local municipalities to find local solutions to local problems without dependence on the Illinois General Assembly. This is in contrast to “non-home rule”.

The authority of a non-home rule municipality to operate is limited under a doctrine referred to as “Dillon’s Rule”. Simply put, Dillon’s Rule means that without an express statutory power to act granted by the Illinois General Assembly, a “non-home rule” unit of local government generally cannot act. Thus, if Illinois statutes are silent on a topic that is the subject of possible municipal action, the non-home rule community may not take that action. Where matters may be unclear, the presumption is that if not specifically authorized, a non-home rule unit of government may not act. **Indian Head Park is a non-home rule municipality.**

Home rule municipalities, on the other hand, are not limited in this manner. Home rule municipalities are freed of “Dillon’s Rule” for most actions such as financial matters. Under the 1970 Illinois Constitution, Article VII, Section 6(a) [Powers of Home Rule Units] a “home rule unit may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to regulate for the protection of the public health, safety, morals and welfare; to license; to tax; and to incur debt.” Thus, a home rule unit of government is presumed to have the authority to act on matters even where Illinois statutes are silent on the matter.

### 2. How does a Village become “home rule”?

The 1970 Illinois Constitution created three categories of home rule units: (1) Cook County; (2) any municipality that has a population in excess of 25,000; (3) a municipality that elects by referendum to become a home rule unit.

Thus, because Indian Head Park does not fall within either of the first two categories listed above, the residents must approve a referendum to become home rule. The village board of trustees voted at its August 12, 2010 meeting to place a home rule referendum on the ballot at the election to be held on November 2, 2010.

### 3. What nearby communities have already adopted “home rule” by referendum?

Berkeley (pop. 4,913)	Bridgeview (pop. 14,991)	Countryside (pop. 5,795)
Hillside (pop. 8,341)	Hodgkins (pop. 2,014)	McCook (pop. 237)
Northlake (pop. 11,462)	Oakbrook Terrace (pop. 2,221)	Stickney (pop. 5,774)

### 4. Why is Indian Head Park considering “home rule”?

During the past two fiscal years, the village has suffered a shortfall in revenues stemming from the nation’s poor economy and may further suffer due to the budget crisis in Illinois. Indian Head Park’s current fiscal year budget reflects a deficit of \$125,000 that includes cutbacks in spending (e.g. no employee pay raises) and services (e.g. no leaf pick-up program) and postponements in municipal projects (e.g. paving streets in various sections of town like Ashbrook and Arrowhead Trail). The village board of trustees has attempted to address these matters by seeking additional revenues without seeking to raise property taxes. Although village finances are not desperate, the critical point has been reached. The village needs to enhance revenues but is limited, as a non-home rule community, to either seek additional revenue solely through a property tax increase or to become a home rule municipality and obtain authority to use alternative methods of raising revenue without sole reliance on property taxes. The village board of trustees has unanimously decided to place a home rule referendum on the ballot for the election on November 2, 2010. Thus, home rule would provide the village with additional flexibility and local control for maintaining the character of our community. It would enhance the village’s ability to preserve the integrity of its zoning ordinances, to operate in a more cost-effective manner, and to have a more diversified and flexible revenue base that could reduce dependency on property taxes.

### 5. What are the potential benefits of “home rule”?

Becoming a home rule community, would allow the village board of trustees to meet unexpected challenges and to take advantage of unforeseen opportunities (e.g. grant money, low interest loans) quickly and decisively for our common good. By becoming a home rule community, Indian Head Park would have the ability to timely tailor legislation to specifically address a local need, problem, or concern. The mayor and Village Board of Trustees are more knowledgeable and sensitive to local matters, and are more accountable to Indian Head Park residents than legislators elected across the entire state. Further, there would be an increased ability to regulate activities in the areas of economic development, building, zoning, sanitation, nuisance, civil disturbance, public health, and safety and welfare. Significantly, the village would have the ability to enhance revenues through locally administered taxes rather than solely through property taxes.

### 6. What are the potential disadvantages of “home rule”?

A criticism of home rule is that it will result in higher property taxes. Home rule permits greater local control over decision making without state oversight and certain procedural limitations and with fewer restrictions. According to a survey conducted by NIU in 2002, home

rule authority leads to LOWER property taxes by allowing home rule communities to diversify the tax base through reliance on less onerous sources of tax revenue and by raising some revenue from non-residents. According to the study, on average State-wide, all cities and villages derive about 25% to 30% of their revenues from property taxes while home rule communities derive 10% to 20% of their revenue from property taxes. Currently, non-home rule IHP obtains about 28% of its revenue through property taxes.

#### 7. How does home rule affect other taxing districts like schools?

If Indian Head Park became a home rule municipality, there would be no impact on the school districts or other independent units of government. Home rule authority in Indian Head Park would only apply to Indian Head Park.

#### 8. If the home rule referendum is approved, how will it affect Indian Head Park residents?

The village board of trustees will have the flexibility to explore a variety of alternative revenue sources to balance future budgets and fund needed infrastructure improvements and village services without total reliance on property tax increases. Thus, the character and value of our community can be preserved and enhanced.

#### 9. Are there any time limits that apply to “home rule”?

A referendum to seek home rule authority may be placed before the voters once every 23 months. Thus, if the home rule referendum is not approved, property tax increases will remain the primary source of additional revenue. Given the lead time to put alternate revenue enhancement sources in place and the time lag before additional revenue is accumulated to make a difference, approximately three or four more years of financial concerns would be likely.

#### 10. Where can I learn more about “home rule” and its impact on Indian Head Park?

A special townhall meeting at the village hall will be scheduled for this purpose for a date in the latter part of October. The date will be publicized in Smoke Signals, on the village website ([www.indianheadpark-il.gov](http://www.indianheadpark-il.gov)), or available by contacting the village administrative office later in September.