



# What you should know about HOME RULE

Property owners throughout Illinois are sensitive to how much they pay in property taxes and fees. The state has some of the highest property taxes in the nation, and in many smaller Illinois communities the problem is particularly acute as local budgets are perilously imbalanced.

That's why many smaller communities try to convince residents that becoming a Home Rule unit would benefit them. Home Rule cuts voters out of having a direct say on whether they want to pay more to live in their community, and almost always the result is HIGHER taxes.

## States with the highest property taxes



1. New Jersey
2. Illinois
3. Texas
4. New Hampshire
5. Vermont

Source: Daily Real Estate News/REALTOR® Magazine

## What's Home Rule? 4 Things You Should Know

- 1** Home Rule allows Illinois communities with fewer than 25,000 residents to impose a variety of taxes and fees.
- 2** Elected officials in Home Rule communities call the shots on taxes and fees. They don't have to directly ask voters for approval in a referendum.
- 3** If a smaller community becomes a Home Rule unit, there are no limits to how high elected officials can jack up taxes or add fees.
- 4** There's no limit on the debt that a Home Rule community can incur. This means poor financial decisions by elected officials can result in high property tax bills for decades.



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## How does a community get Home Rule?

Under state law, a non-Home Rule community of 25,000 residents or less can only become a Home Rule unit if voters approve the measure in a referendum. Cities with more than 25,000 residents are automatically Home Rule communities.

Since 2017, there have been at least 12 efforts to obtain Home Rule in Illinois communities. Eleven failed in large part because voters didn't trust their elected officials to keep taxes and fees low.



Source: Real Property Alliance



Coal City



Auburn



Homewood



Franklin Park



Ottawa



Merrionette Park



Westville



Warrensburg



Rockford



Yorkville



Lynwood

## What can happen in Home Rule communities?

In Home Rule communities there is the potential for a never-ending cycle of property tax increases once elected officials wrest direct say over tax increases from voters. But there's more danger in the fees that property owners and renters can be faced with. These can include



- **Pre-sale inspections:** Municipalities may force property owners to fix things that don't affect life and safety, and which the buyer might not even want. In some cases, unreasonable demands can result in deals falling through.

- **Multi-family rental ordinances:** Fees can be charged to rental property owners on a per-unit basis which can add up quickly and cause local rents to soar.

- **Real estate transfer taxes:** These taxes add more costs on buyers and sellers. They are just one more way communities make it more expensive to live and work in a community.

## Want to learn more?

Real Property Alliance works statewide to help property owners understand the implications of public policy and private property rights.

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