

Home Rule Referendum

What Does It Mean For Carbondale?

Carbondale has had home rule at least since 1971 when the 1970 Constitution went into effect.

Why is there a referendum?

- **Under the Illinois Constitution, municipalities over 25,000 are automatically home rule jurisdictions.**
- **In the 2020 census, Carbondale's population dropped to 21,857, so Illinois statutes require a referendum at the next general election (November 8, 2022).**

- **Ballot Question:**

Shall Carbondale cease to be a home rule unit?

- **Supplemental Information on the ballot:**
- **A NO vote is stating that you want the City of Carbondale to keep its home rule authority**
- **A YES vote is stating that you want the City of Carbondale to lose home rule authority**

What is Home Rule?

- A Home Rule jurisdiction may exercise “any power and perform any function pertaining to its government and affairs...” except those prohibited by the state constitution or by statute.
- A non-Home Rule jurisdiction may only exercise those powers explicitly granted by the legislature.

Home Rule Powers:

- Power to regulate for the protection of public health, safety, morals and welfare
- To license
- To tax (but not an income tax)
- To incur debt without referendum

There are 219 home rule municipalities in Illinois, including:

- Marion
- Murphysboro
- Herrin
- Carterville
- Benton
- DuQuoin
- Johnston City
- Mound City
- Mount Vernon
- Sesser
- West Frankfort

- **If Carbondale loses home rule, ordinances adopted under its Home Rule Authority will be treated as though they never existed. These include:**
 - **Mandatory rental unit inspections**
 - **Rental transparency provisions**
 - **Animal licensing**
 - **Nuisance ordinances**
 - **Regulations of outdoor advertising**

Source (in part): Carbondale City Council Agenda Item Detail for July 14,2022, Regular City Council Meeting

- Carbondale projects a revenue loss of \$10,819,520 to the General Fund if Home Rule is lost.
- This is almost 41% of the General Revenue Budget.
- **Source: Carbondale City Council Agenda Item Detail for July 14,2022, Regular City Council Meeting**

- To replace this revenue, property taxes would have to increase \$1,400 on a \$100,000 home.
- Alternatively, services would be cut.
- Or there could be a combination of increased property taxes and cuts in services

Source: Carbondale City Council Agenda Item Detail for July 14,2022, Regular City Council Meeting

- **What would cause the loss of so much of the General Revenue funds?**
- **Carbondale generates \$10,148,824 from its 2.375% sales tax. Most of this--\$9,707,833-- goes into the General Revenue Fund (the rest goes into the Local Improvement Fund).**
- **The local sales tax would disappear without Home Rule.**
- **(A 1% sales tax might be adopted by referendum later)**

Much of Carbondale's sales tax revenue currently comes from outside of Carbondale zip codes:

- **49% of downtown sales**
 - **82% of University Place sales**
 - **50.6% of Murdale sales**
 - **86.25% of University Mall sales**
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- **Source: Carbondale City Council Agenda Item Detail for July 14,2022, Regular City Council Meeting**

Lost General Revenue (cont'd):

Municipal Motor Fuel Tax of \$.07 per gallon (\$428,200)

**Municipal Hotel/Motel Taxes 9%
(\$774,195)***

**** A non-Home Rule municipality may impose a Hotel/Motel tax up to 5%, but may only use the proceeds to promote overnight tourism***

- **Lost General Revenue (Cont'd):**

- **Rental Registration Fees** **(\$268,000)**
- **Gaming Machine Fees** **(\$86,850)****
- **Animal Registration Fees** **(\$7,000)**
- **Transient Merchant Fees** **(\$300)**
- ****\$22,750 could be collected in absence of home rule, leaving a net loss of 64,100**

- **Possible Mitigation:**
- **By referendum, Carbondale could enact a sales tax of up to 1% (current city sales tax is 2.375%)**
- **According to the Carbondale Financial Director, revenue from such a referendum would not be available for two years if such a referendum passed**
- **A 1% sales tax would yield \$4,059,498, leaving a net sales tax revenue loss of \$5,648,335, and a total revenue loss of \$6,760,022 (26% of the current General Revenue Fund)**
- **Source of numbers: Carbondale City Council Agenda Item Detail for July 14,2022, Regular City Council Meeting**

- In addition to a loss of \$10,819,520 in General Revenue Funds, there would be the following losses:
- Package Liquor & Food and Beverage Tax Fund
\$2,135,000
- Debt Service Fund \$4,515,397
- Local Improvement Fund \$1,661,423

- **Examples of Carbondale Home Rule Actions that could not have been taken without Home Rule (other than revenue-related actions):**
 - **Enacting a prohibition against smoking in public indoor spaces (before there was a state law on the issue)**
 - **Setting up a multiple person Liquor Control Board. Without Home Rule, all of the power of the Liquor Control Board would reside in the mayor.**
 - **Increased the size of City Council from 4 to 6 members (This would have taken a referendum in the absence of Home Rule)**

- **Examples, cont'd**
- **Requirement that lease agreements have an appendix setting out specific duties of landlord and tenant, creating greater transparency**
- **Regulation of short term rentals (like Air BnB)**
- **Regulation of Outdoor Signs**
- **Regulations regarding mandatory rental unit inspections**
- **Elsewhere, Illinois courts have upheld a Home Rule jurisdiction's requirement of a longer eviction notice than state law requires.**

Examples from elsewhere, cont'd

Local gun control has been allowed in Home Rule jurisdictions (may not constrict U.S. Constitutional 2nd Amendment rights).

Establish mandatory minimum jail sentences for ordinance violations (may not exceed 6 months)

Arguments for Home Rule:

- **Decision-making is local rather than at the state level so local concerns can be addressed more quickly and with more local input by the local government**
- **Provides more options for generating tax revenue from sources other than property tax, thus keeping property taxes lower**
- **Spreads tax burden to non-residents through sales tax, gasoline tax, hotel/motel tax, gaming taxes, alcohol tax**

- **Arguments for Home Rule (cont'd)**
 - **Provides greater flexibility**
 - **Bonds may be issued without referendum and for a 40 year period. In non-home rule jurisdictions, bonds may be issued only by referendum and for a 25 year period.**
 - **Because there are more sources of revenue for paying off bonds, bond rating may be higher and, therefore, a lower interest rate may be available.**
 - **Grants may require matching funds. These matching funds can come from revenue sources other than property tax in a Home Rule jurisdiction.**

- **Arguments Against Home Rule**
- **People rather than government have more direct control over some local decisions since a Non Home Rule municipality may not issue bonds or take some other actions without a referendum.**
- **In Non Home Rule jurisdictions, local sales tax may not exceed 1%. Local sales tax is not limited in Home Rule jurisdictions.**
- **Home Rule jurisdictions may have more regulations and governmental control of citizens' actions.**

- **Shall Carbondale cease to be a home rule unit?**
- **The League of Women Voters of Jackson County urges you to vote “NO.”**
- **Keep home rule in Carbondale. It has had home rule for more than 50 years and should continue to be a home rule municipality.**