

Home Rule Community Meeting FAQs

Q If the Village becomes home rule will the schools be able to use home rule to raise taxes?

- No, the referendum on the ballot is only asking voters to decide about Home Rule for the village (municipal) governing unit.

Q Chicago has high fees and taxes, is Chicago Home rule?

- Chicago is Home Rule.

Q Will home rule allow the Village to increase fees?

- Home Rule does not grant greater authority on setting the rate of fees but does include a broader list of available fees to the local municipality. The forum presentation outlines those being explored by the Village Board.

Q Will home rule allow the Village to increase sales tax?

- Home Rule municipalities are able to add a local sales tax on top of the State share (Known as a Home Rule Sales Tax). The Village has stated a desire to use Home Rule to add a 1% Home Rule Sales Tax to help fund capital projects (roads, sewer, etc).

Q Will Village be increasing fees for liquor licenses?

- Home Rule does not change the local authority related to setting liquor license fees and guidelines.

Q Why does the Village need home rule to control rental property?

- Ordinances within Home Rule communities have been shown to have greater “teeth” when it comes to being challenged in court; that is, when

challenged it has been more often upheld that the local municipality can set their own local standards.

Q Why doesn't the village look at reducing spending instead of raising revenues?

- Rather cutting or spending, the first thing we look at is what results are we trying to achieve for our residents. We are currently and have historically operated from balanced budgets through efforts to both grow our revenue base and find ways to cut or be more efficient.

Q What about future boards, how do we control how they manage home rule?

- If we become Home Rule, we have the ability to try and limit future decisions that are outside of the character of our community. We can pass a self-limiting ordinance that outlines local guidelines for Home Rule (which aspects can be used, which can not or require referendum or advisory signatures). A requirement for a super majority to overturn such ordinance can also be established. In addition, an engaged community that votes for local leaders that will best represent the Village is a highly effective means of advancing the Village.

Q How does home rule help with mandates from the state?

- When State statutes either don't explicitly name Home Rule communities or when they grant Home Rule the ability to determine locally, we would have the ability to opt out or manage at the local level. Example of this include state mandates requiring a certain percentage of affordable housing.

Q How much money has been spent in recent years on state mandates?

- It is unclear how much financial benefit there would be to opting out of State mandates.

Q How much taxpayer money is being spent toward the home rule initiative?

- Zero (\$0.00). It was simply a filing of paperwork to place the question on the ballot.

Q Don't we think with higher sales taxes, especially a gas tax, people will go over the border to Wisconsin?

- When we evaluated where our sales tax is coming from (primarily boat sales, auto parts, and restaurants), we don't believe these are categories that consumer behavior will be largely influenced by a 1% increase in sales tax.

Q Why are property taxes so high and will the Village be able to reduce our tax bills?

- The rate of our property tax bills has been largely influenced by an unsustainable funding mechanism for education. The Village portion of the tax bill is around 11% of the bill. One of the goals in pursuing Home Rule is to provide other revenue sources so the Village can avoid future levy increases and potentially consider lowering the Village portion of the levy in the future.

Q Even if property taxes don't get raised isn't "a tax a tax"?

- Taxes are taxes – someone is paying a mandated fee for receiving a good. The difference trying to be established in options like Home Rule

Sales tax is a broadened audience creating revenue outside of our residents, from visitors to our community.

Q We already pay a tax on gasoline for roads why aren't our roads being repaired?

- We receive a share from the State known as the Municipal Fuel Tax (MFT). Our share is approximately \$150K per year, and is put into road repairs.

Q If the Village raises fees on gaming machines won't those gaming companies leave?

- We have been involved in discussions with the gaming lobby to better understand the industry. It seems that as long as the fees are in line with other Home Rule communities it is their understanding that it is part of the cost of doing business.

Q How does home rule improve the Village's bond rating and how does improving the Village's bond rating reduce the impact on the taxpayers?

- There is an inherent improvement to bond rating or loan interest rates as a Home Rule community because the municipality has more revenue options and are therefore have an improved likelihood of paying back bonds or loans to the lender. Improved rates mean fewer Village dollars going towards interest on debt and can instead be put towards other needs of our community.

Q Why would we want to spread debt out for a longer period of time?

- As a Village we have historically tried to avoid debt and operate within our means. With a commitment to being smart with our money, we will continue evaluating the need for debt at all, and the appropriate terms of that debt. Home Rule does increase the allowable debt cap or the length of time that debt can be accrued for.

Q How is the Village going to be able to shift the tax burden from property owners to people going through the community?

- Our lakefront attracts over one million visitors each year, in addition to commuters and visitors to our community for events. Sales tax and increased gaming terminal fees, which primarily impact visitors and heaviest users, would generate an additional \$390K for the Village, which would offset the typical levy increase in property taxes and fund the projected need for road improvements.

Q What happens if the referendum does not pass?

- Winthrop Harbor would maintain status as a non Home Rule community and operate under the existing State statutes.

Q Why is home rule coming up now?

- It is two-fold, 1) on the heels of completing our Comprehensive Plan and Capital Improvement Plan the Board had discussions about tools available to help us achieve the vision desired by our community and Home Rule was one of those tools identified, and 2) with a new Mayor and several Board members within their first or second term, there are fresh eyes and an openness to explore new ideas.

Q How easy is it to come off home rule?

- Requires a petition of residents to be filed 92 days prior to an election, with signatures of 8% of total voters from the last gubernatorial election. Our voter turnout is typically 1,200-2,000 voters, so it would require 96-160 signatures to get a rescinding referendum on the ballot.