

WHAT IS HOME RULE?

Home Rule Authority – Under the Illinois Constitution, subject to certain specific exceptions, a home-rule municipality “may exercise any power and perform any function pertaining to its government affairs.” The following entities have home rule powers:

- Municipalities of at least 25,000 in population
- Municipalities of any size if the voters approved home rule by referendum
- Counties with an elected chief executive (only Cook County Government)

The most prominent feature of home rule authority is the power to impose a variety of taxes. A home rule unit cannot tax income. A home rule unit can incur debt.

IMPLICATIONS TO IAR MEMBERS:

Since the enactment of home rule in 1970, several onerous ordinances have been enacted which affect real estate, including the following:

- Residential landlord/tenant ordinances (Chicago and Mt Prospect have such laws);
- Multi-family Rental Licensure/Inspection ordinances;
- Developer land dedications or cash-in-lieu for schools and parks;
- Higher Property Tax Levies (Under the state law which imposes property tax caps, home rule units are exempt from the caps);
- Pre-sale home inspection ordinances;
- Real Estate Transfer Tax (Under a state law enacted in 1997 and introduced by IAR, home rule units must seek voter approval in order to increase an existing transfer tax or impose a new one).