



Overview: East Moline Home Rule Referendum

Background:

On April 1, 2025, East Moline voters will decide on a critical referendum: "Shall the City of East Moline become a home rule unit under Article VII, Section 6, of the Illinois Constitution?"

Recognizing that the implications of Home Rule may not be widely understood and can result in significant changes, this document aims to provide clear and concise information for East Moline's business community.

Under [Article VII of the Illinois Constitution](#), municipalities are designated as either Home Rule or non-Home Rule. Home Rule status grants communities the authority to address local issues without requiring approval from the state legislature. Cities with populations exceeding 25,000 residents automatically achieve Home Rule.

East Moline is currently a non-Home Rule community due to its population being under 25,000 and the absence of a successful Home Rule referendum. There are 224 Home Rule municipalities in Illinois, as well as Rock Island, Moline and Carbon Cliff within the Illinois Quad Cities region. East Moline's population is currently slightly above 20,000 or about 25% below the population threshold for "automatic" Home Rule.

Tax Implications:

Home Rule status grants municipalities significant fiscal autonomy compared to non-Home Rule communities. Notably, Home Rule jurisdictions are exempt from the Property Tax Extension Limitation Law (PTELL), which restricts annual property tax extensions for non-Home Rule entities to the lesser of 5%, or the prior year's Consumer Price Index (CPI) increase.

Furthermore, Home Rule municipalities possess broader sales tax authority. They can enact a Home Rule sales tax through ordinance or resolution, levied in increments of $\frac{1}{4}$ percent without a rate limit. In contrast, non-Home Rule sales taxes are capped at 1%.

Beyond sales and property taxes, Home Rule empowers cities to impose, administer and collect taxes on various sources, including utilities, hotels, real estate transfers (subject to



voter approval via referendum), restaurants, alcohol and tobacco products and lease receipts.

These tax authorities are discretionary. East Moline's Mayor and City Council have consistently stated their intent not to implement these additional taxes, even if granted Home Rule status.

City Perspective:

The City of East Moline is pursuing Home Rule status to enhance local governance through increased decision-making authority, improved financial sustainability and greater government efficiency.

Enhanced Local Decision-Making Authority:

Home Rule empowers municipalities with greater autonomy, allowing them to address local issues with increased flexibility. This includes broader authority over areas such as building codes, zoning regulations, housing policies, sanitation, nuisance abatement, civil disturbances and certain criminal offenses. While some state-imposed limitations exist, Home Rule provides municipal governments with the necessary tools to create policies tailored to the unique needs of their city.

Improved Financial Sustainability and Funding Options:

Home Rule offers significant financial advantages, including improved credit ratings and access to more favorable borrowing terms. Notably, Home Rule communities can issue bonds for up to 40 years, compared to the 20-year limit for non-Home Rule municipalities. This extended financing option allows for the amortization of infrastructure projects, such as water and sewer system repairs, over a longer period, thereby reducing the immediate financial burden on residents. Furthermore, East Moline's current non-Home Rule status negatively impacts its credit ratings, hindering its ability to secure optimal borrowing terms for large-scale initiatives.

Home Rule also permits the city to pursue alternate revenue streams, such as local motor fuel taxes, natural gas use taxes and increased hotel/motel taxes. City officials emphasize that these diversified funding options would alleviate pressure on property taxes, expand the tax base to include visitors, and potentially stabilize utility rates. It is important to note,



however, that the East Moline City Council has explicitly stated it has no intention of pursuing additional tax increases at this time.

Increased Government Efficiency:

Home Rule enables cities to enter into longer-term contracts, which can lead to an increased stability of city services and efficiencies resulting in potential cost savings.

East Moline, as a non-Home Rule municipality, is generally restricted to contracts that expire with each administration, making long-term planning more challenging and expensive.