

## Home Rule Basics

City of Lancaster Home Rule Study Commission



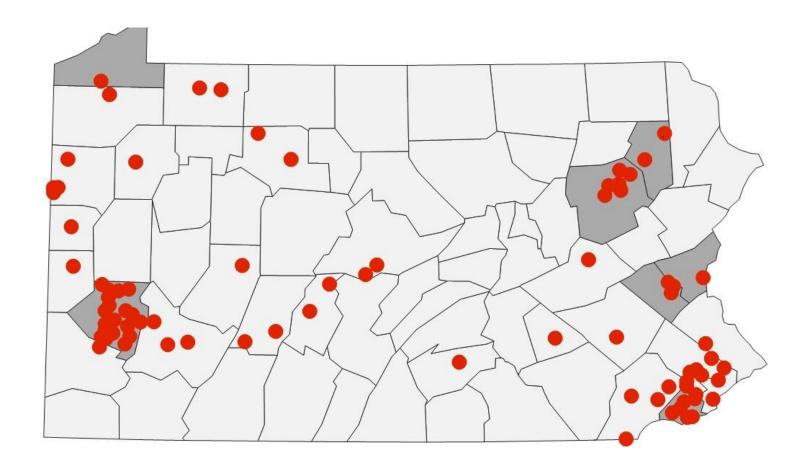
## Home Rule Basics

- A home rule charter serves as the City's "constitution."
- Literally: Make the Rules at Home
- Home Rule transfers the basic authority to act in municipal affairs from state law to a locally drafted and adopted charter through election by municipal voters.

City of Lancaster Home Rule Study Commission

#### Home Rule Municipalities in PA

- There are 82 cities, townships and boroughs in the Commonwealth with home rule charters.
- 26 of 53 third class cities like Lancaster are home rule.



## Why do some municipalities consider Home Rule?

- Flexibility in Taxation
- Flexibility in Representation
- Checks and Balances/Improve Accountability
- Separate Legislative and Executive Functions
- Improve Fiscal Procedures and Controls
- Professional Administration
- Residual Powers: Write Own Administrative Code
- Increase Citizen Participation: Initiative and Referendum
- Improve Flexibility and Responsiveness

### Who is the Home Rule Study Commission?

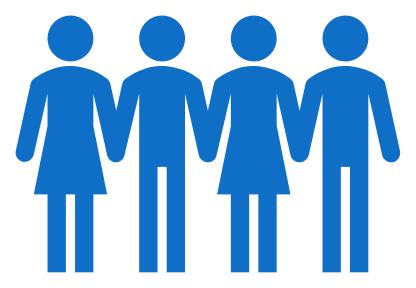
- Nine City residents elected temporarily by fellow City residents in spring 2023.
- The commission's charge is to consider home rule for the City of Lancaster.
- Commissioners are independent and non-partisan.



Photo: Tim Stuhldreher | One United Lancaster.

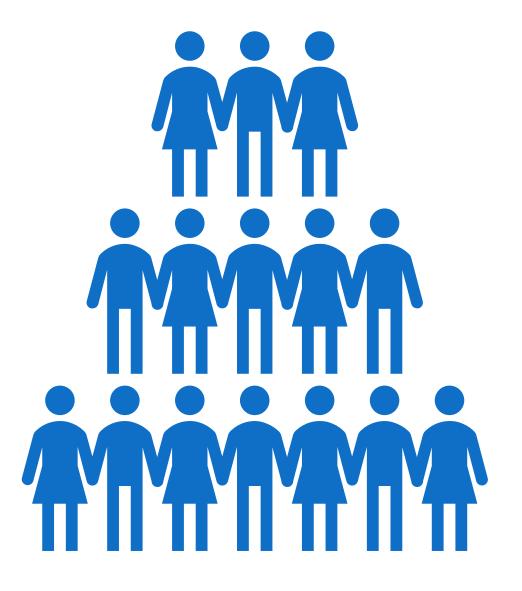
## What work has the Home Rule Study Commission completed?

- Studied the current and alternative forms of City government for six months.
- Voted in January to draft a home rule charter.
- Commission members cited different reasons for their vote including to:
  - Improve public participation
  - Strengthen financial procedures
  - Consider a code of conduct
  - Choose local control over state control



#### Home Rule Charter: Commission Next Steps

- Draft a proposed home rule charter
- Complete charter by mid-summer
- Gather community feedback and educate the public on the draft home rule charter's content.
- Proposed charter to be placed on Nov. 5 GENERAL ELECTION BALLOT.
- City of Lancaster Voters Make the Ultimate Decision on Approval





## Home Rule Charter Basic Components

- A general grant of powers to the municipality.
- The basic organization of the government.
- Specification of critical legislation and administrative procedures.
- Provision for citizen participation and reservation of specific powers to voters.
- Mandates for desirable administrative practices.
- General provisions such as transition procedures and the effective date.

## Some Home Rule Charter Limitations

- Arbitration/Labor Relations
- Boundary Change Law
- Election Code
- Ethics Law
- Sunshine Law
- Open Records Law
- Vehicle Code
- Regulation of Utilities
- Eminent Domain
- Zoning
- PA Municipalities Planning Code
- Tort Claims
- And more



## Background on Taxes: the Need for Flexibility

- Cities rely on a mix of taxes authorized
   60 or more years ago.
- All taxes are capped or at a flat rate.
- These taxes have not kept up with inflation.
- As a result, cities are limited in their ability to raise additional revenue in the face of rising expenditure.



# Background on Taxes: Increased Overall Tax Flexibility

- Home rule is not the cure all for outdated state tax laws, but it does permit more flexibility than municipal codes.
- Increased tax flexibility would allow the City to consider increases to other revenue sources like earned income to ensure balance and avoid overburdening any one group.
- Home rule lifts state caps on municipal tax rates like earned income.
- Home rule does not set tax rates; tax rates are set every year by elected officials.
- Home rule does not allow a municipality to create new taxes.
- Home rule does not permit the City to levy a commuter wage tax or tax non-profits.

# Potential Benefits of Earned Income Tax Flexibility

- The earned income tax is not paid by those retired or not earning wages.
- For these same people, increases in property taxes trigger concerns over ever-rising property taxes.
- Businesses that usually have the most valuable taxable property also do not pay earned income tax.
- Renters directly pay their earned income tax instead of paying property taxes indirectly through rent increases.
- Higher costs from increased property taxes affect housing affordability.

### Flexibility Needed to Maintain Existing Service Levels

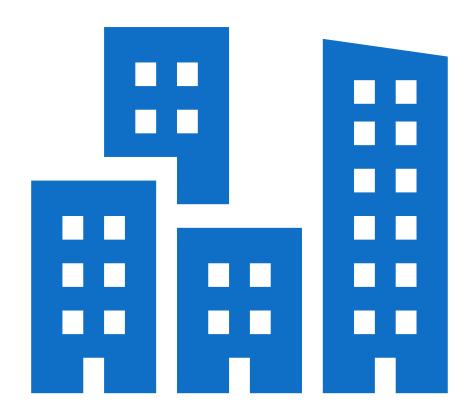
- Lancaster is a full-service community
- Police and Fire provide 24/7 services for approximately 60,000 residents and 30,000 commuters in 7.3 square miles
- Public safety accounts for approximately 60 percent of the City's General Fund budget
- More flexible revenue options are needed to keep up with inflation and maintain public safety services to ensure public health, safety and welfare





#### Myth vs. Reality

- Myth: the home rule charter will raise my taxes
- Reality: a home rule charter does not set tax rates; it provides local flexibility on the mix of taxes appropriate to the local tax base.
- Myth: the home rule charter will give the City freedom to tax whatever they like.
- Reality: the City cannot invent new taxes.
- Myth: the home rule charter will give the City freedom to raise taxes however high they like.
- Reality: the commission can place limits in the charter on revenue growth from tax increases.



#### In Progress Now: Draft Charter Articles

- Substantially complete Articles: preamble, mayor, city council, controller, solicitor, appointed officials, fiscal procedures
- In progress: ethics board, citizen participation & voter referendum
- Notable changes:
  - Budget & Finance
    - Budget process starts earlier more time for council review and citizen feedback
    - Mandated quarterly budget reporting
  - Citizen Referendum
    - Creating opportunities for citizens to request city council agenda items or special meetings of city council
    - Creating a process for referendum to pass or revoke an ordinance
  - Ethics Board
    - educate city elected officials, staff and the public on the state ethics act
    - · investigate complaints of wrongdoing against these rules
    - enforce the rules



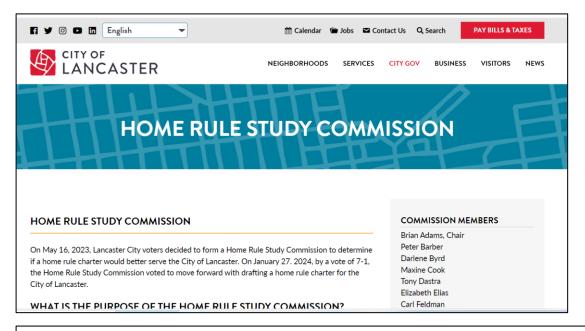
## How can the public get involved?

- Read the Home Rule web page on the City's web site.
  - Numerous education materials on home rule.
  - Ask questions in the Feedback section.
- Watch or attend a commission or committee meeting
  - Meeting dates are posted on the web page.
  - Meetings provide two opportunities for public comment.
  - Meeting agendas, minutes, and other materials are also posted.
- Participate in upcoming information sessions and public hearings
  - July 29 Information Session, City Council Chambers
  - · July 31 Information Session, virtual
  - August 6 Information Session, City Council Chambers
  - August 8 Public Hearing, City Council Chambers
- Stay tuned for more events and information as the process continues!

Lancaster City Home Rule Website:

https://www.cityoflancasterpa.gov/home-rule/.

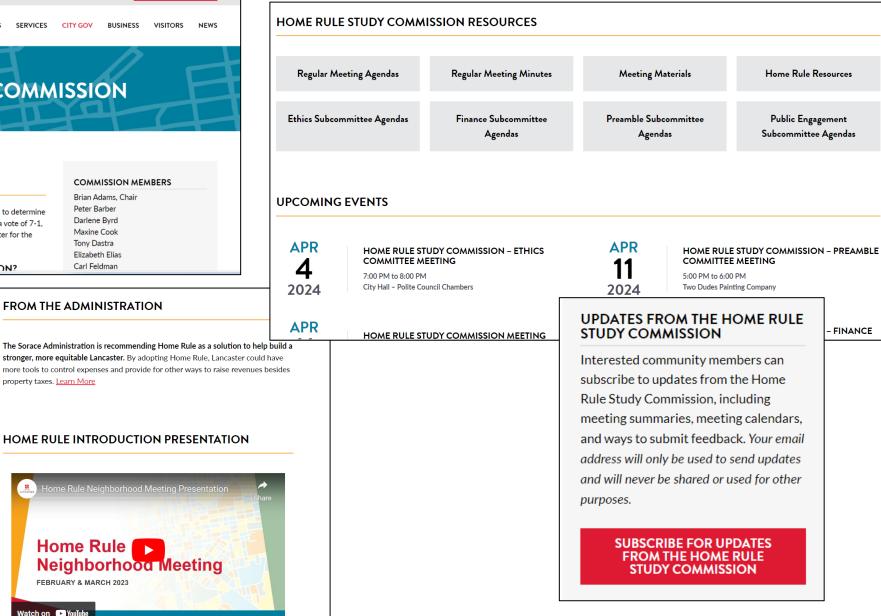




FROM THE ADMINISTRATION

FEBRUARY & MARCH 2023

Watch on YouTube



#### more tools to control expenses and provide for other ways to raise revenues besides SEND FEEDBACK property taxes. Learn More **ADDITIONAL RESOURCES** HOME RULE INTRODUCTION PRESENTATION • It's Not 1965 Anymore (PDF) Rule Neighborhood Meeting Presentation PA Economy League Home Rule in Pennsylvania Presentation Feb. 1, 2023 Norma de Autonomía [Home Rule] en PA Presentación 1 de Febrero 2023 (en Español) Home Rule · Home Rule in PA Presentation to Council Feb. 1, 2023 (Video) **Neighborhood Meeting**

WATCH MEETINGS

PRESS COVERAGE

 LNP | LancasterOnline · One United Lancaster

**HOW TO PARTICIPATE** 

**MEETING SCHEDULE** 

- FINANCE

#### CITY OF LANCASTER HOME RULE STUDY COMMISSION

#### What is Home Rule?

Home Rule = Make the Rules at Home

- A home rule charter serves as the city's "constitution".
- Home Rule means that Lancaster City will have basic authority to act in municipal affairs.
- The power to act is transferred from the state to the local government.

#### Commission members mentioned various reasons for their votes to draft a charter, including:

- Improving public participation
- Strengthening financial procedures
- Considering a code of conduct
- Taking back control from state government

#### **Commission Next Steps**

- Draft a proposed home rule charter
- Complete charter by mid summer
- Gather community feedback and educate the public
- Lancaster city voters make the ultimate decision on charter approval

#### **Home Rule Commission Meetings**

Home Rule Study Commission meetings are open to the public and are usually held at City Hall (Polite Council Chambers) at 7:00PM (be sure to check the website, as this schedule may change.)

- April 11 & 25
- Aug 1 & 15 & 29
- May 9 & 23
- Sept 12 & 26
- June 6 & 20
- Oct 10 & 24
- July 2 & 18

#### **How To Participate**

- Attend or watch Home Rule Commission Meetings (tune in online at cityoflancasterpa,gov/home-rule)
- Send feedback to cityoflancasterpa.gov/hrfeedback (or scan the QR code below)
- Learn more at cityoflancasterpa.gov/home-rule

#### Send your feedback to the Commission!

Scan here or visit cityoflancasterpa.gov/hrfeedback to send your feedback to the Home Rule Study Commission!



#### Home Rule Recap

- A home rule charter serves as a municipality's "constitution" rather than state code.
- A proposed home rule charter is being drafted now by the Home Rule Study Commission.
- Completion anticipated mid-summer.
- The commission will conduct public engagement on the charter.
- City of Lancaster residents vote on the proposed home rule charter at the Nov. 5 General Election.
- Questions?

