

AN ACT in relation to municipal government.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Municipal Code is amended by changing Sections 7-1-1 and 11-74.4-4 as follows:

(65 ILCS 5/7-1-1) (from Ch. 24, par. 7-1-1)

Sec. 7-1-1. Annexation of contiguous territory. Any territory that is not within the corporate limits of any municipality but is contiguous to a municipality may be annexed to the municipality as provided in this Article. For the purposes of this Article any territory to be annexed to a municipality shall be considered to be contiguous to the municipality notwithstanding that the territory is separated from the municipality by a strip parcel or railroad or public utility right-of-way, but upon annexation the area included within that strip parcel or right-of-way shall not be considered to be annexed to the municipality. For purposes of this Section, "strip parcel" means a separation no wider than 30 feet between the territory to be annexed and the municipal boundary.

Except in counties with a population of more than 500,000 but less than 3,000,000, territory which is not contiguous to a municipality but is separated therefrom only by a forest preserve district or open land or open space that is part of an open space program, as defined in Section 115-5 of the Township Code, may be annexed to the municipality pursuant to Sections 7-1-7 or 7-1-8, but only if the annexing municipality can show that the forest preserve district, open land, or open space creates an artificial barrier preventing the annexation and that the location of the forest preserve district, open land, or open space property prevents the orderly natural growth of the annexing municipality. It shall be conclusively presumed

that the forest preserve district, open land, or open space does not create an artificial barrier if the property sought to be annexed is bounded on at least 3 sides by (i) one or more other municipalities (other than the municipality seeking annexation through the existing forest preserve district, open land, or open space), (ii) forest preserve district property, open land, or open space, or (iii) a combination of other municipalities and forest preserve district property, open land, or open space. It shall also be conclusively presumed that the forest preserve district, open land, or open space does not create an artificial barrier if the municipality seeking annexation is not the closest municipality to the property to be annexed. The territory included within such forest preserve district, open land, or open space shall not be annexed to the municipality nor shall the territory of the forest preserve district, open land, or open space be subject to rights-of-way for access or services between the parts of the municipality separated by the forest preserve district, open land, or open space without the consent of the governing body of the forest preserve district. The changes made to this Section by this amendatory Act of 91st General Assembly are declaratory of existing law and shall not be construed as a new enactment.

In counties that are contiguous to the Mississippi River with populations of more than 200,000 but less than 255,000, a municipality that is partially located in territory that is wholly surrounded by the Mississippi River and a canal, connected at both ends to the Mississippi River and located on property owned by the United States of America, may annex noncontiguous territory in the surrounded territory under Sections 7-1-7, 7-1-8, or 7-1-9 if that territory is separated from the municipality by property owned by the United States of America, but that federal property shall not be annexed without the consent of the federal government.

When any land proposed to be annexed is part of any Fire Protection District or of any Public Library District and the

annexing municipality provides fire protection or a public library, as the case may be, the Trustees of each District shall be notified in writing by certified or registered mail before any court hearing or other action is taken for annexation. The notice shall be served 10 days in advance. An affidavit that service of notice has been had as provided by this Section must be filed with the clerk of the court in which the annexation proceedings are pending or will be instituted or, when no court proceedings are involved, with the recorder for the county where the land is situated. No annexation of that land is effective unless service is had and the affidavit filed as provided in this Section.

The new boundary shall extend to the far side of any adjacent highway and shall include all of every highway within the area annexed. These highways shall be considered to be annexed even though not included in the legal description set forth in the petition for annexation. When any land proposed to be annexed includes any highway under the jurisdiction of any township, the Township Commissioner of Highways and the Board of Town Trustees shall be notified in writing by certified or registered mail before any court hearing or other action is taken for annexation. In the event that a municipality fails to notify the Township Commissioner of Highways and the Board of Town Trustees of the annexation of an area within the township, the municipality shall reimburse that township for any loss or liability caused by the failure to give notice. If any municipality has annexed any area before October 1, 1975, and the legal description in the petition for annexation did not include the entire adjacent highway, any such annexation shall be valid and any highway adjacent to the area annexed shall be considered to be annexed notwithstanding the failure of the petition to annex to include the description of the entire adjacent highway.

Any annexation, disconnection and annexation, or disconnection under this Article of any territory must be reported by certified or registered mail by the corporate

authority initiating the action to the election authorities having jurisdiction in the territory and the post office branches serving the territory within 30 days of the annexation, disconnection and annexation, or disconnection.

Failure to give notice to the required election authorities or post office branches will not invalidate the annexation or disconnection. For purposes of this Section "election authorities" means the county clerk where the clerk acts as the clerk of elections or the clerk of the election commission having jurisdiction.

No annexation, disconnection and annexation, or disconnection under this Article of territory having electors residing therein made (1) before any primary election to be held within the municipality affected thereby and after the time for filing petitions as a candidate for nomination to any office to be chosen at the primary election or (2) within 60 days before any general election to be held within the municipality shall be effective until the day after the date of the primary or general election, as the case may be.

For the purpose of this Section, a toll highway or connection between parcels via an overpass bridge over a toll highway shall not be considered a deterrent to the definition of contiguous territory.

When territory is proposed to be annexed by court order under this Article, the corporate authorities or petitioners initiating the action shall notify each person who pays real estate taxes on property within that territory unless the person is a petitioner. The notice shall be served by certified or registered mail, return receipt requested, at least 20 days before a court hearing or other court action. If the person who pays real estate taxes on the property is not the owner of record, then the payor shall notify the owner of record of the proposed annexation.

(Source: P.A. 90-14, eff. 7-1-97; 91-824, eff. 6-13-00.)

Sec. 11-74.4-4. Municipal powers and duties; redevelopment project areas. A municipality may:

(a) The changes made by this amendatory Act of the 91st General Assembly do not apply to a municipality that, (i) before the effective date of this amendatory Act of the 91st General Assembly, has adopted an ordinance or resolution fixing a time and place for a public hearing under Section 11-74.4-5 or (ii) before July 1, 1999, has adopted an ordinance or resolution providing for a feasibility study under Section 11-74.4-4.1, but has not yet adopted an ordinance approving redevelopment plans and redevelopment projects or designating redevelopment project areas under this Section, until after that municipality adopts an ordinance approving redevelopment plans and redevelopment projects or designating redevelopment project areas under this Section; thereafter the changes made by this amendatory Act of the 91st General Assembly apply to the same extent that they apply to redevelopment plans and redevelopment projects that were approved and redevelopment projects that were designated before the effective date of this amendatory Act of the 91st General Assembly.

By ordinance introduced in the governing body of the municipality within 14 to 90 days from the completion of the hearing specified in Section 11-74.4-5 approve redevelopment plans and redevelopment projects, and designate redevelopment project areas pursuant to notice and hearing required by this Act. No redevelopment project area shall be designated unless a plan and project are approved prior to the designation of such area and such area shall include only those contiguous parcels of real property and improvements thereon substantially benefited by the proposed redevelopment project improvements. Upon adoption of the ordinances, the municipality shall forthwith transmit to the county clerk of the county or counties within which the redevelopment project area is located a certified copy of the ordinances, a legal description of the redevelopment project area, a map of the redevelopment project area, identification of the year that the county clerk shall

use for determining the total initial equalized assessed value of the redevelopment project area consistent with subsection (a) of Section 11-74.4-9, and a list of the parcel or tax identification number of each parcel of property included in the redevelopment project area.

(b) Make and enter into all contracts with property owners, developers, tenants, overlapping taxing bodies, and others necessary or incidental to the implementation and furtherance of its redevelopment plan and project. Contract provisions concerning loan repayment obligations in contracts entered into on or after the effective date of this amendatory Act of the 93rd General Assembly shall terminate no later than the last to occur of the estimated dates of completion of the redevelopment project and retirement of the obligations issued to finance redevelopment project costs as required by item (3) of subsection (n) of Section 11-74.4-3. Payments received under contracts entered into by the municipality prior to the effective date of this amendatory Act of the 93rd General Assembly that are received after the redevelopment project area has been terminated by municipal ordinance shall be deposited into a special fund of the municipality to be used for other community redevelopment needs within the redevelopment project area.

(c) Within a redevelopment project area, acquire by purchase, donation, lease or eminent domain; own, convey, lease, mortgage or dispose of land and other property, real or personal, or rights or interests therein, and grant or acquire licenses, easements and options with respect thereto, all in the manner and at such price the municipality determines is reasonably necessary to achieve the objectives of the redevelopment plan and project. No conveyance, lease, mortgage, disposition of land or other property owned by a municipality, or agreement relating to the development of such municipal property shall be made except upon the adoption of an ordinance by the corporate authorities of the municipality. Furthermore, no conveyance, lease, mortgage, or other

disposition of land owned by a municipality or agreement relating to the development of such municipal property shall be made without making public disclosure of the terms of the disposition and all bids and proposals made in response to the municipality's request. The procedures for obtaining such bids and proposals shall provide reasonable opportunity for any person to submit alternative proposals or bids.

(d) Within a redevelopment project area, clear any area by demolition or removal of any existing buildings and structures.

(e) Within a redevelopment project area, renovate or rehabilitate or construct any structure or building, as permitted under this Act.

(f) Install, repair, construct, reconstruct or relocate streets, utilities and site improvements essential to the preparation of the redevelopment area for use in accordance with a redevelopment plan.

(g) Within a redevelopment project area, fix, charge and collect fees, rents and charges for the use of any building or property owned or leased by it or any part thereof, or facility therein.

(h) Accept grants, guarantees and donations of property, labor, or other things of value from a public or private source for use within a project redevelopment area.

(i) Acquire and construct public facilities within a redevelopment project area, as permitted under this Act.

(j) Incur project redevelopment costs and reimburse developers who incur redevelopment project costs authorized by a redevelopment agreement; provided, however, that on and after the effective date of this amendatory Act of the 91st General Assembly, no municipality shall incur redevelopment project costs (except for planning costs and any other eligible costs authorized by municipal ordinance or resolution that are subsequently included in the redevelopment plan for the area and are incurred by the municipality after the ordinance or resolution is adopted) that are not consistent with the program for accomplishing the objectives of the redevelopment plan as

included in that plan and approved by the municipality until the municipality has amended the redevelopment plan as provided elsewhere in this Act.

(k) Create a commission of not less than 5 or more than 15 persons to be appointed by the mayor or president of the municipality with the consent of the majority of the governing board of the municipality. Members of a commission appointed after the effective date of this amendatory Act of 1987 shall be appointed for initial terms of 1, 2, 3, 4 and 5 years, respectively, in such numbers as to provide that the terms of not more than 1/3 of all such members shall expire in any one year. Their successors shall be appointed for a term of 5 years. The commission, subject to approval of the corporate authorities may exercise the powers enumerated in this Section. The commission shall also have the power to hold the public hearings required by this division and make recommendations to the corporate authorities concerning the adoption of redevelopment plans, redevelopment projects and designation of redevelopment project areas.

(l) Make payment in lieu of taxes or a portion thereof to taxing districts. If payments in lieu of taxes or a portion thereof are made to taxing districts, those payments shall be made to all districts within a project redevelopment area on a basis which is proportional to the current collections of revenue which each taxing district receives from real property in the redevelopment project area.

(m) Exercise any and all other powers necessary to effectuate the purposes of this Act.

(n) If any member of the corporate authority, a member of a commission established pursuant to Section 11-74.4-4(k) of this Act, or an employee or consultant of the municipality involved in the planning and preparation of a redevelopment plan, or project for a redevelopment project area or proposed redevelopment project area, as defined in Sections 11-74.4-3(i) through (k) of this Act, owns or controls an interest, direct or indirect, in any property included in any

redevelopment area, or proposed redevelopment area, he or she shall disclose the same in writing to the clerk of the municipality, and shall also so disclose the dates and terms and conditions of any disposition of any such interest, which disclosures shall be acknowledged by the corporate authorities and entered upon the minute books of the corporate authorities. If an individual holds such an interest then that individual shall refrain from any further official involvement in regard to such redevelopment plan, project or area, from voting on any matter pertaining to such redevelopment plan, project or area, or communicating with other members concerning corporate authorities, commission or employees concerning any matter pertaining to said redevelopment plan, project or area. Furthermore, no such member or employee shall acquire of any interest direct, or indirect, in any property in a redevelopment area or proposed redevelopment area after either (a) such individual obtains knowledge of such plan, project or area or (b) first public notice of such plan, project or area pursuant to Section 11-74.4-6 of this Division, whichever occurs first. For the purposes of this subsection, a property interest acquired in a single parcel of property by a member of the corporate authority, which property is used exclusively as the member's primary residence, shall not be deemed to constitute an interest in any property included in a redevelopment area or proposed redevelopment area that was established before December 31, 1989, but the member must disclose the acquisition to the municipal clerk under the provisions of this subsection. For the purposes of this subsection, a month-to-month leasehold interest in a single parcel of property by a member of the corporate authority shall not be deemed to constitute an interest in any property included in any redevelopment area or proposed redevelopment area, but the member must disclose the interest to the municipal clerk under the provisions of this subsection.

(o) Create a Tax Increment Economic Development Advisory Committee to be appointed by the Mayor or President of the

municipality with the consent of the majority of the governing board of the municipality, the members of which Committee shall be appointed for initial terms of 1, 2, 3, 4 and 5 years respectively, in such numbers as to provide that the terms of not more than 1/3 of all such members shall expire in any one year. Their successors shall be appointed for a term of 5 years. The Committee shall have none of the powers enumerated in this Section. The Committee shall serve in an advisory capacity only. The Committee may advise the governing Board of the municipality and other municipal officials regarding development issues and opportunities within the redevelopment project area or the area within the State Sales Tax Boundary. The Committee may also promote and publicize development opportunities in the redevelopment project area or the area within the State Sales Tax Boundary.

(p) Municipalities may jointly undertake and perform redevelopment plans and projects and utilize the provisions of the Act wherever they have contiguous redevelopment project areas or they determine to adopt tax increment financing with respect to a redevelopment project area which includes contiguous real property within the boundaries of the municipalities, and in doing so, they may, by agreement between municipalities, issue obligations, separately or jointly, and expend revenues received under the Act for eligible expenses anywhere within contiguous redevelopment project areas or as otherwise permitted in the Act.

(q) Utilize revenues, other than State sales tax increment revenues, received under this Act from one redevelopment project area for eligible costs in another redevelopment project area that is:

(i) either contiguous to the redevelopment project area from which the revenues are received;

(ii) ~~or is~~ separated only by a public right of way from the redevelopment project area from which the revenues are received; or

(iii) separated only by forest preserve property from

the redevelopment project area from which the revenues are received if the closest boundaries of the redevelopment project areas that are separated by the forest preserve property are less than one mile apart.

Utilize tax increment revenues for eligible costs that are received from a redevelopment project area created under the Industrial Jobs Recovery Law that is either contiguous to, or is separated only by a public right of way from, the redevelopment project area created under this Act which initially receives these revenues. Utilize revenues, other than State sales tax increment revenues, by transferring or loaning such revenues to a redevelopment project area created under the Industrial Jobs Recovery Law that is either contiguous to, or separated only by a public right of way from the redevelopment project area that initially produced and received those revenues; and, if the redevelopment project area (i) was established before the effective date of this amendatory Act of the 91st General Assembly and (ii) is located within a municipality with a population of more than 100,000, utilize revenues or proceeds of obligations authorized by Section 11-74.4-7 of this Act, other than use or occupation tax revenues, to pay for any redevelopment project costs as defined by subsection (q) of Section 11-74.4-3 to the extent that the redevelopment project costs involve public property that is either contiguous to, or separated only by a public right of way from, a redevelopment project area whether or not redevelopment project costs or the source of payment for the costs are specifically set forth in the redevelopment plan for the redevelopment project area.

(r) If no redevelopment project has been initiated in a redevelopment project area within 7 years after the area was designated by ordinance under subsection (a), the municipality shall adopt an ordinance repealing the area's designation as a redevelopment project area; provided, however, that if an area received its designation more than 3 years before the effective date of this amendatory Act of 1994 and no redevelopment

project has been initiated within 4 years after the effective date of this amendatory Act of 1994, the municipality shall adopt an ordinance repealing its designation as a redevelopment project area. Initiation of a redevelopment project shall be evidenced by either a signed redevelopment agreement or expenditures on eligible redevelopment project costs associated with a redevelopment project.

(Source: P.A. 92-16, eff. 6-28-01; 93-298, eff. 7-23-03; 93-961, eff. 1-1-05.)