

1 AN ACT in relation to municipal government.

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

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

6 (65 ILCS 5/7-1-1) (from Ch. 24, par. 7-1-1)

7 Sec. 7-1-1. Annexation of contiguous territory. Any  
8 territory that is not within the corporate limits of any  
9 municipality but is contiguous to a municipality may be annexed  
10 to the municipality as provided in this Article. For the  
11 purposes of this Article any territory to be annexed to a  
12 municipality shall be considered to be contiguous to the  
13 municipality notwithstanding that the territory is separated  
14 from the municipality by a strip parcel or railroad or public  
15 utility right-of-way, but upon annexation the area included  
16 within that strip parcel or right-of-way shall not be  
17 considered to be annexed to the municipality. For purposes of  
18 this Section, "strip parcel" means a separation no wider than  
19 30 feet between the territory to be annexed and the municipal  
20 boundary.

21 Except in counties with a population of more than 500,000  
22 but less than 3,000,000, territory which is not contiguous to a  
23 municipality but is separated therefrom only by a forest  
24 preserve district or open land or open space that is part of an  
25 open space program, as defined in Section 115-5 of the Township  
26 Code, may be annexed to the municipality pursuant to Sections  
27 7-1-7 or 7-1-8, but only if the annexing municipality can show  
28 that the forest preserve district, open land, or open space  
29 creates an artificial barrier preventing the annexation and  
30 that the location of the forest preserve district, open land,  
31 or open space property prevents the orderly natural growth of  
32 the annexing municipality. It shall be conclusively presumed

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

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

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

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

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

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

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

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

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

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

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

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

35 (65 ILCS 5/11-74.4-4) (from Ch. 24, par. 11-74.4-4)

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

3           (a) The changes made by this amendatory Act of the 91st  
4 General Assembly do not apply to a municipality that, (i)  
5 before the effective date of this amendatory Act of the 91st  
6 General Assembly, has adopted an ordinance or resolution fixing  
7 a time and place for a public hearing under Section 11-74.4-5  
8 or (ii) before July 1, 1999, has adopted an ordinance or  
9 resolution providing for a feasibility study under Section  
10 11-74.4-4.1, but has not yet adopted an ordinance approving  
11 redevelopment plans and redevelopment projects or designating  
12 redevelopment project areas under this Section, until after  
13 that municipality adopts an ordinance approving redevelopment  
14 plans and redevelopment projects or designating redevelopment  
15 project areas under this Section; thereafter the changes made  
16 by this amendatory Act of the 91st General Assembly apply to  
17 the same extent that they apply to redevelopment plans and  
18 redevelopment projects that were approved and redevelopment  
19 projects that were designated before the effective date of this  
20 amendatory Act of the 91st General Assembly.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (n) If any member of the corporate authority, a member of a  
30 commission established pursuant to Section 11-74.4-4(k) of  
31 this Act, or an employee or consultant of the municipality  
32 involved in the planning and preparation of a redevelopment  
33 plan, or project for a redevelopment project area or proposed  
34 redevelopment project area, as defined in Sections  
35 11-74.4-3(i) through (k) of this Act, owns or controls an  
36 interest, direct or indirect, in any property included in any

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

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

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

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

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

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

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

36 (iii) separated only by forest preserve property from

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

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

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

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

8 (Source: P.A. 92-16, eff. 6-28-01; 93-298, eff. 7-23-03;  
9 93-961, eff. 1-1-05.)