

**ROCHELLE CITY COUNCIL
AGENDA ITEM MEMO
REGULAR MEETING**

SUBJECT: A Resolution to Oppose SB 2881 which Fundamentally Alters how Municipalities Annex and Regulate Unincorporated Property

Staff Contact: Michelle Pease, Community Development Director

Summary: SB2881 proposes changes to the annexation agreement statute that would significantly alter how municipalities annex and regulate incorporated property.

Here are the key points:

Current Powers: According to Section 7 of Article VII of the 1970 Constitution of the State of Illinois, non-home rule municipalities like Rochelle can only exercise powers explicitly granted by law. However, the Illinois General Assembly has granted broad authority to municipalities to pass ordinances and regulations to carry out their powers.

Proposed Changes: SB2881, sponsored by Senator Laura Fine, would require any land subject to an annexation agreement to be contiguous to a municipal boundary. This would eliminate our current ability to regulate properties within the 1.5-mile extra-territorial jurisdiction, reducing our ability to annex property and creating uncertainty regarding pre-annexation agreements.

Limitations: The bill restricts municipalities from addressing various subjects in annexation agreements, including certain local land use ordinances, contributions of land or money, and property tax abatements. It also prohibits municipalities from regulating certain topics upon annexation, effectively creating a protected class of subjects.

Impact: If passed, SB2881 would harm all municipalities and hinder economic development throughout Illinois.

Strategic Plan Goal Application: Economic Development

Recommendation: Approve a Resolution to Oppose SB 2881 which Fundamentally Alters how Municipalities Annex and Regulate Unincorporated Property