



Village of Palatine and State of Illinois Code of Ethics

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ARTICLE XXV. Code of Ethics

Editor's Note: Ordinance 0-15-02 enacted January 28, 2002, replaced Article XXV in its entirety.

Editor's Note: Ordinance 0-232-03 enacted October 20, 2003 replaced Article XXV in its entirety.

Sec. 2-441. Definitions.

Unless the contrary is stated, or clearly appears from the context, when used in this Article, the following words and phrases shall have the meanings indicated, and where there may be any variation in interpretation between or among such phrases or terms in this Article, the more restrictive shall apply: (Ord.No.0-87-04, §1, 5-10-04)

Business entity means any organization or enterprise operated for profit, including, but not limited to a proprietorship, partnership, firm, business trust, joint venture, syndicate, corporation or association.

Campaign for elective office means any activity in furtherance of an effort to influence the selection, nomination, election, or appointment of any individual to any federal, State, or local public office or office in a political organization, or the selection, nomination, or election of Presidential or Vice-Presidential electors, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action, (ii) relating to collective bargaining, or (iii) that are otherwise in furtherance of the person's official duties. (Ord.No.0-87-04, §2, 5-10-04)

Candidate means a person who has filed nominating papers or petitions for nomination or election to an elected office, or who has been appointed to fill a vacancy in nomination, and who remains eligible for placement on the ballot at a regular election, as defined in section 1-3 of the Election Code (10 ILCS 5/1-3). (Ord.No.0-87-04, §2, 5-10-04)

Collective bargaining has the same meaning as that term is defined in Section 3 of the Illinois Public Labor Relations Act (5 ILCS 315/3). (Ord.No.0-87-04, §2, 5-10-04)

Compensated time means, with respect to an employee, any time worked by or credited to the employee that counts toward any minimum work time requirement imposed as a condition of his or her employment, but for purposes of this Ordinance, does not include any designated holidays, vacation periods, personal time, compensatory time off or any period when the employee is on a leave of absence. With respect to officers or employees whose hours are not fixed, "compensated time" includes any period of time when the officer is on premises under the control of the employer and any other time when the officer or employee is executing his or her official duties, regardless of location. (Ord.No.0-87-04, §2, 5-10-04)

Compensatory time off means authorized time off earned by or awarded to an employee to compensate in whole or in part for time worked in excess of the minimum work time required of that employee as a condition of his or her employment. (Ord.No.0-87-04, §2, 5-10-04)

Consultant means the Village attorney, the Village planner, the Village engineer and any person with professional or technical expertise retained by the Village to provide professional or technical advice to the Village.

Contribution has the same meaning as that term is defined in section 9-1.4 of the Election Code (10 ILCS 5/9-1.4). (Ord.No.0-87-04, §3, 5-10-04)

Employee means a person employed by the Village of Palatine, whether on a fulltime or part-time basis or pursuant to a contract, whose duties are subject to the direction and control of an employer with regard to the material details of how the work is to be performed, but does not include an independent contractor. (Ord.No.0-87-04, §3, 5-10-04)

Employer means the Village of Palatine. (Ord.No.0-87-04, §3, 5-10-04)

Gift means any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible or intangible item having monetary value including, but not limited to, cash, food and drink, and honoraria for speaking engagements related to or attributable to government employment or the official position of an officer or employee. Gifts of informational material such as books, pamphlets, reports, calendars, or periodicals shall not be considered gifts for the purposes of this definition. (Ord.No.0-87-04, §4, 5-10-04)

Immediate family means an individual's spouse, dependent children, or others claimed by the individual as dependents for Federal income tax purposes.

Income means salary, wage, advance, payment, fee, honorarium or any other consideration for personal, professional, or commercial services, rent, dividends, interest, capital gains received from the sale of real or personal property, stocks or bonds, return of capital, forgiveness or payment of indebtedness, discount in the price of anything of value unless the discount is available to members of the public without regard to official status, rebate, reimbursement for expenses, contribution to an insurance or pension program paid by any person other than all employer. Income also includes a pro rata share of any income of any business entity or trust in which the individual or spouse owns directly, indirectly or beneficially, a five percent or greater interest.

Interest in real property includes, but is not limited to the following: legal or equitable title; a beneficial interest in any trust (including a land trust); any assignment of any interest from a beneficiary or any other party of an interest; a power to direct conveyance; a right to receive rents or proceeds from the property; a lien; a tax sale certificate; an option; or any other financial interest, real or personal, direct or indirect in such property including status as a nominee or undisclosed principal.

Leave of absence means any period during which an employee does not receive (i) compensation for employment, (ii) service credit towards pension benefits, and (iii) health insurance benefits paid for by the employer. (Ord.No.0-87-04, §5, 5-10-04)

Liquor licensed premises owner means the owner or owners of the legal or beneficial interest in the ideal property for which any liquor license application is filed with the Village.

Officer means a person who holds, by election or appointment, an office created by statute or ordinance, regardless of whether the officer is compensated for service in his or her official capacity. (Ord.No.0-87-04, §6, 5-10-04)

Payment means a payment, distribution, transfer, loan, advance, deposit, gift or other rendering of money, property, services or anything else of value, whether tangible or intangible.

Person means an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, association, committee, and any other organization or group of persons acting in concert.

Political activity means any activity in support of or in connection with any campaign for elective office or any political organization, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action, (ii) relating to collective bargaining, or (iii) that are otherwise in furtherance of the person's official duties. (Ord.No.0-87-04, §7, 5-10-04)

Political organization means a party, committee, association, fund, or other organization (whether or not incorporated) that is required to file a statement of organization with the State Board of Elections or a county clerk *under Section 9-3* of the Election Code (10 ILCS 5/9-3), but only with regard to those activities that require filing with the State Board of Elections or a county clerk. (Ord.No.0-87-04, §7, 5-10-04)

Prohibited political activity means:

1. Preparing for, organizing, or participating in any political meeting, political rally, political demonstration, or other political event.
2. Soliciting contributions, including but not limited to the purchase of, selling, distributing, or receiving payment for tickets for any political fundraiser, political meeting, or other political event.
3. Soliciting, planning the solicitation of, or preparing any document or report regarding anything of value intended as a campaign contribution.
4. Planning, conducting, or participating in a public opinion poll in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.
5. Surveying or gathering information from potential or actual voters in an election to determine probable vote outcome in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.
6. Assisting at the polls on Election Day on behalf of any political organization or candidate for elective office or for or against any referendum question.
7. Soliciting votes on behalf of a candidate for elective office or a political organization or for or against any referendum question or helping in an effort to get voters to the polls.
8. Initiating for circulation, preparing, circulating, reviewing, or filing any petition on behalf of a candidate for elective office or for or against any referendum question.
9. Making contributions on behalf of any candidate for elective office in that capacity or in connection with a campaign for elective office.
10. Preparing or reviewing responses to candidate questionnaires.
11. Distributing, preparing for distribution, or mailing campaign literature, campaign signs, or other campaign material on behalf of any candidate for elective office or for or against any referendum question.
12. Campaigning for any elective office or for or against any referendum question.
13. Managing or working on a campaign for elective office or for or against any referendum question.
14. Serving as a delegate, alternate, or proxy to a political party convention.
15. Participating in any recount or challenge to the outcome of any election.

(Ord.No.0-87-04, §7, 5-10-04)

Prohibited source means any person or entity who:

1. is seeking official action (i) by an officer or (ii) by an employee, or by the officer or another employee directing that employee;
2. does business or seeks to do business (i) with the officer or (ii) with an employee, or with the officer or another employee directing that employee;
3. conducts activities regulated (i) by the officer or (ii) by an employee, or by the officer or another employee directing that employee; or

4. has interests that may be substantially affected by the performance or non-performance of the official duties of the officer or employee. (Ord.No.0-87-04, §7, 5-10-04)

Public official means any person who seeks to be elected or is elected to any public office in the Village, the Village Treasurer, all members of the Planning and Zoning Commission of the Village, the Village Manager and his assistant or assistants, the heads of the various Departments within the Village and the Deputy Village Clerk.

Purchase transaction means a purchase, or a contract to purchase goods or services of any kind.

Sole supplier means any person or business entity which is the only available supplier to the Village of a product or service required by the Village. Examples of "sole supplier" are such entities as electric, gas and telephone companies.

Supplier means any individual, firm, corporation, association, partnership, joint venture, sole proprietor, or other business entity which enters into a "purchase transaction" with the Village. (Ord. No. O-96-74, § 1 (A), 12-9-74; Ord. No. O-31-75, § 1, 4-28-75; Ord. No. O-1-79, § 1, 1-8-79; Ord. No. O-92-79, §§ 1, 7-9-79)

Village shall mean Village of Palatine. (Ord.No.0-87-04, §8, 5-10-04)

Sec. 2-442. Economic Interest Statements and Ethics Acknowledgement Form

(A) Statement of *Economic Interest*. All public officials shall file, with the County clerk and with the Village Clerk, a verified Statement of Economic Interest responding in detail to the following questions:

1. List the name and instrument of ownership in any entity doing business with the unit of local government in relation to which the person is required to file, in which the ownership interest held by the person at the date of filing is in excess of \$5,000 fair market value or from which dividends in excess of \$1,200 were received during the preceding calendar year. (In the case of real estate, location thereof shall be listed by street address, or if none, then by legal description.) No time or demand deposit in a financial institution, nor any debt instrument shall be listed.

Business Entity

Instrument of Ownership

_____	_____
_____	_____

2. List the name, address and type of practice of any professional organization in which the person making the statement was an officer, director, associate, partner or proprietor or served in any advisory capacity, from which income in excess of \$1,200 was derived during the preceding calendar year.

Name

Address

Type of Practice

_____	_____	_____
_____	_____	_____

3. List the nature of professional services rendered (other than to the unit of government in relation to which the person is required to file) and the nature of the entity to which they were rendered if fees exceeding \$5,000 were received during the preceding calendar year from the entity for professional services rendered by the person making the statement. ("Professional services" means services rendered in the practice of law, accounting, engineering, medicine, architecture, dentistry or clinical psychology.)

4. List the identity (including the address or legal description of real estate) of any capital asset from which a capital gain of \$5,000 or more was realized during the preceding calendar year.

5. List the name of any entity and the nature of the governmental action requested by any entity which has applied to the unit of local government in relation to which the person must file for any license, franchise or permit for annexation, zoning or rezoning of real estate during the preceding calendar year if the ownership interest of the person filing is in excess of \$5,000 fair market value at the time of filing or if income or dividends in excess of \$1,200 were received by the person filing from the entity during the preceding calendar year.

6. List the name of any entity doing business with the unit of local government in relation to which the person is required to file from which income in excess of \$1,200 was derived during the preceding calendar year other than for professional services and the title or description of any position held in that entity. No time or demand deposit in a financial institution nor any debt instrument need be listed.

7. List the name of any unit of government which employed the person making the statement during the preceding calendar year other than the unit of government in relation to which the person is required to file.

8. List the name of any entity from which a gift or gifts, or honorarium or honoraria, valued singly or in the aggregate in excess of \$500, was received during the preceding calendar year.

VERIFICATION

I declare that this statement of economic interests (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete statement of any economic interests as required by the Illinois Governmental Ethics Act. I understand that the penalty for willfully filing a false or incomplete statement shall be a fine not to exceed \$750.

Signature of person making the statement

Date

(B) *Prohibited Interests In Contracts.* The following interests by an elected or appointed officer in a contract are hereby prohibited as a matter of law (50 ILCS 105/3, 2001)

(1) No person holding any office, either by election or appointment under the laws or Constitution of this State, may be in any manner financially interested directly in his own name or indirectly in the name of any other person, association, trust or corporation in any contract or the performance of any work in the making or letter of which such officer may be called upon to act or vote. No such officer may represent, either as agent or otherwise, any person, association, trust or corporation, with respect to any application or bid for any contract or work in regard to which such officer may be called upon to vote. Nor may any such officer take or receive, or offer to take or receive, either directly or indirectly, any money or other thing of value as a gift or bribe or means of influencing his vote or action in his official character. Any contract made and procured in violation hereof is void. This Section shall not apply to any person serving on an advisory panel or commission or to any director serving on a hospital district board as provided under subsection (a-5) of Section 13 of the Hospital District Law.

(2) However, any elected or appointed member of the governing body may provide materials, merchandise, property, services, or labor, subject to the following provisions under either subparagraph (a) or (b):

(a) If:

i. the contract is with a person, firm, partnership, association, corporation, or cooperative association in which such interested member of the governing body of the municipality has less than a 7.5% share in the ownership; and

ii. such interested member publicly discloses the nature and extent of his interest prior to or during deliberations concerning the proposed award of the contract; and

iii. such interested member abstains from voting on the award of the contract, though he shall be considered present for the purposes of establishing a quorum; and

iv. such contract is approved by a majority vote of those members presently holding office; and

v. the contract is awarded after sealed bids to the lowest responsible bidder if the amount of the contract exceeds \$1,500, or awarded without bidding if the amount of the contract is less than \$1,500; and

vi. the award of the contract would not cause the aggregate amount of all such contracts so awarded to the same person, firm, association, partnership, corporation, or cooperative association in the same fiscal year to exceed \$25,000.

(b) If:

i. the award of the contract is approved by a majority vote of the governing body of the municipality provided that any such interested member shall abstain from voting; and

ii. the amount of the contract does not exceed \$2,000; and

iii. the award of the contract would not cause the aggregate amount of all such contracts so awarded to the same person, firm, association, partnership, corporation, or cooperative association in the same fiscal year to exceed \$4,000; and

iv. such interested member publicly discloses the nature and extent of his interest prior to or during deliberations concerning the proposed award of the contract; and

v. such interested member abstains from voting on the award of the contract, though he shall be considered present for the purposes of establishing a quorum.

(c) In addition to the above exemptions, any elected or appointed member of the governing body may provide materials, merchandise, property, services, or labor if:

i. the contract is with a person, firm, partnership, association, corporation, or cooperative association in which the interested member of the governing body of the municipality, advisory panel, or commission has less than a 1 percent share in the ownership; and

ii. the award of the contract is approved by a majority vote of the governing body of the municipality provided that any such interested member shall abstain from voting; and

iii. such interested member publicly discloses the nature and extent of his interest before or during deliberations concerning the proposed award of the contract; and

iv. such interested member abstains from voting on the award of the contract, though he shall be considered present for the purposes of establishing a quorum.

(3) For the purposes of this Section only, a municipal officer shall not be deemed interested if the officer is an employee of a company or owns or holds an interest of 1 percent or less in the municipal officer's individual name in a company, or both, that company is involved in the transaction of business with the municipality, and that company's stock is traded on a national recognized securities market, provided the interested member:

(i) publicly discloses the fact that he or she is an employee or holds an interest of 1 percent or less in a company before deliberation of the proposed award of the contract; (ii) refrains from evaluating, recommending, approving, deliberating, or otherwise participating in negotiation, approval, or both, of the contract, work, or business; (iii) abstains from voting on the award of the contract though he or she shall be considered present for purposes of establishing a quorum; and (iv) the contract is approved by a majority vote of those members currently holding office.

(4) A municipal officer shall not be deemed interested if the officer owns or holds an interest of 1 percent or less, not in the officer's individual name but through a mutual fund, in a company that company is involved in the transaction of business with the municipality, and that company's stock is traded on a nationally recognized securities market.

(C) Pecuniary Interest Allowed in Contracts of Deposit and Financial Service with local Banks and Savings and Loan Associations. Pursuant to state law (50 ILCS 104/3.2, 2001) pecuniary interests by an elected or appointed office holder are permitted, subject to the following conditions. Nothing in this Code, including the restrictions set forth in subparagraphs (B) (2) and (3) shall preclude a contract of deposit of monies, loans, or other financial services by a unit of local government or a police or firefighter's pension fund established under Article 3 or 4 of the Illinois Pension Code with a local bank or local savings and loan association, regardless of whether a member or members of the governing body of the unit are interested in the bank or savings and loan association as a director, an officer, employee, or holder of less than 7.5 percent of the total ownership interest. A member or members holding such an interest in such a contract shall not be deemed to be holding a prohibited interest for purposes of this Act. The interested member or members of the governing body must publicly state the nature and extent of their interest during deliberations concerning the proposed award of such a contract, but shall not participate in any further deliberations concerning the proposed award. The interested member or members shall not vote on such a proposed award and voting under this Section may be considered present for purposes of establishing a quorum. Award of such a contract shall require approval by a majority vote of those members presently holding office. Consideration and award of any such contract in which a member or members are interested may only be made at a regularly scheduled public meeting of the governing body of the unit or district.

D. **Ethics Acknowledgement.** All public officials and consultants shall file with the Village Clerk a verified ethics acknowledgement form in substantially the following form:

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

TO: The Mayor and Village Council of the Village of Palatine, Illinois

ETHICS ACKNOWLEDGEMENT FORM

I, _____, being first duly sworn, upon my oath, state as follows:

- (1) I have been (*please circle one:* elected, or appointed or hired or I intend to run for election) as the _____ of the Village of Palatine.
- (2) I have read and acknowledged the requirements in 50 ILCS 105/3 (the Prohibited Interests and Contracts Act), as fully set forth in Paragraph B above. I understand that I must abide by its terms.
- (3) I have read and acknowledge the requirements of 5 ILCS 425/1, et seq, 2001, (the State Gift Ban Act). I understand that I must abide by its terms.
- (4) I have read and acknowledge the requirements in 50 ILCS 105/3.2, 2001 (Pecuniary Interests and Contracts requirement), as fully set forth in paragraph C above. I understand that I must abide by its terms.

I, _____, declare that the foregoing statements have been examined by me and are, to the best of my knowledge and belief, true, correct and accurate. I have received from the Village Clerk copies of Article XXV, Chapter 2 of the Municipal Code of the Village of Palatine (Code of Ethics) and statutes of the State of Illinois pertaining to conflicts of interest, income disclosure and misconduct by public office holders (including the State Gift Ban Act, 5 ILCS 425/1, et seq and the Prohibited Interests and Contract Act, 50 ILCS 105/3, 2001). I understand that the penalty for willfully attesting to a false disclaimer is a fine not to exceed seven hundred and fifty dollars (\$750.00).

Dated: _____

Signature

(E) Future Amendments or Declaration of Unconstitutionality of Prohibited Interests in Contracts Act (50 ILCS 105/3, 2001) and State Gift Ban Act (5 ILCS 425/1 et seq, 2001)

(a) Any amendment to the Prohibited Interests in Contracts Act (50 ILCS 105/3 et seq, 2001 or to the State Gift Ban Act (5 ILCS 425/1 et seq. 2001, that becomes effective after the passage of this ordinance, shall be incorporated into this Ordinance by reference and shall be applicable to the solicitation and acceptance of gifts. However, any language that makes its provisions optional for adoption by municipalities shall not be incorporated into this Section by reference without formal action by the Corporate Authorities of the Village.

(b) If the Illinois Supreme Court declares the Prohibited Interests in Contracts Act (50 ILCS 105/3, et seq., 2001) or the State Gift Ban Act (5 ILCS 425/1 et. seq., 2001), unconstitutional in its entirety, then this Section shall be repealed as of the date that the Supreme Court's decision becomes final and not subject to any further appeals or re-hearings.

(c) If the Illinois Supreme Court declares part(s) of the Prohibited Interests in Contracts Act (50 ILCS 105/3, et seq., 2001 or the State Gift Ban Act (5 ILCS 425/1 et. seq., 2001), unconstitutional but upholds the constitutionality of the remainder of these Acts or does not address the remainder of these Acts, then the remainder of these Acts as adopted by this Section, shall remain in full force and effect; however, that part of this Section relating to the part of the Acts found unconstitutional shall be deemed repealed without further action by the Corporate Authorities of the Village.

(F) *Filing schedule.* The Economic Interest Statements and Ethics Acknowledgement Form required above shall be completed on forms approved by the Corporate Authorities and provided by the Village Clerk. Economic Interest Statements and/or Ethics Acknowledgement Form shall be filed pursuant to the following schedule:

(1) All public officials and consultants shall file their disclosure statements and/or Ethics Acknowledgement Form annually within thirty (30) days after May 1st.

2) Any candidate for elective public office within the Village shall file within fifteen (15) days after his nominating petitions are filed.

(3) Any person appointed as a public official, retained as a consultant or hired as an employee shall, if required to do so by this article, file an Economic Interest Statement and Ethics Acknowledgement Form within thirty (30) days of his appointment, retention or hiring.

(4) Any person elected to public office within the Village shall file within thirty (30) days of his election.

(5) Revised Economic Interest Statement and Ethics Acknowledgement Form shall be filed within thirty (30) days following any event which would require a change in any information or disclaimers contained in the statement or disclaimer on file with the Village Clerk.

Not less than fifteen (15) days before the filing dates specified above, except the filing date specified in subparagraph (5), the Village Clerk shall, by first class mail or personal delivery, notify the persons required to file Economic Interest Statements and Ethics Acknowledgement Form of their obligation to file. The Village Clerk shall provide each person filing such statements with a written receipt indicating the date on which the filing took place. In addition, the Village Clerk shall, at least fourteen (14) days prior to the filing dates specified above, provide each person required to file an Economic Interest Statement and Ethics Acknowledgement Form with a copy of this article and those portions of the statutes of the State of Illinois deemed relevant to governmental ethics by the Village Council. (Ord. #0-16-09, §4, 1/19/09)

(G) *Public access.* All statements and disclosures filed under this section shall be available for examination and copying by the public at all reasonable times. Each person examining a statement and disclosure must first fill out a form prepared by the Village Clerk identifying the examiner by name, occupation, address and telephone number, and listing the date of examination and reason for such examination. The Village Clerk shall promptly notify each person required to file a statement and disclosure under this article of each instance of an examination of his statement by sending him a duplicate original of the identification form filled out by the person examining his statement.

(H) Any person required to file the statement provided for in this section who knowingly fails to so file, or knowingly files a false or incomplete statement shall be guilty of a misdemeanor and shall be fined not more than seven hundred fifty dollars (\$750.00). (Ord. No. O-96-74, § 1(B)--(F), 12-9-74; Ord. No. O-31-75, § 3, 4-28-75; Ord. No. O-37-75, § 1, 5-26-75; Ord. No. O-109-77, § 1, 10-10-77; Ord. No. O-1-79, § 2, 1-8-79; Ord. No. O-92-79, §§ 2, 3, 7-9-79; Ord.No.0-5-98§2,1-26-98)

Sec. 2-443. Supplier's statement.

All bidding forms and request for proposals for purchase transactions between the Village and a supplier shall contain the following provision as one of the terms and conditions of such transaction:

The undersigned supplier hereby represents and warrants to the Village of Palatine as a term and condition of acceptance of this (bid or proposal) that none of the following Village officials is either an officer or director of supplier or owns five per cent (5%) or more of supplier: The Mayor; the members of the Village Council; the Village Clerk; the Village Treasurer; the members of the Planning and Zoning Commission; the Village Manager and his assistant or assistants; the heads of the various departments within the Village. If the foregoing representation and warranty is inaccurate, state the name of the Village official who either is officer or director of your business entity or owns five per cent (5%) or more thereof.

The Village Clerk shall promptly notify the Village Council of any person named by suppliers in response to the foregoing inquiry.

Any person who executes a contract knowing that the statement set out above or any part thereof is false shall be guilty of a misdemeanor and shall be fined not more than seven hundred fifty dollars (\$750.00). (Ord. No. O-96-74, § 1 (G), 12-9-74; Ord.No.0-5-98§2,1-26-98)

Sec. 2-444. Use of public property for personal convenience or profit prohibited.

No public official shall request or permit the use of Village-owned vehicles, equipment, materials or property for personal convenience or profit, except when such services are available to the public generally. Public officials may use Village-owned vehicles, equipment, materials or property only in the conduct of official business, when consistent with Village policy. (Ord. No. O-109-77, § 2, 10-10-77)

[Editor's Note: New Sections. 2-445—2-448 were added pursuant to Ord. 0-87-04, passed on May 10, 2004]

Sec. 2-445. Prohibited political activities

Sec 2-445.1. Prohibited political activities.

(a) No officer or employee shall intentionally perform any prohibited political activity during any compensated time, as defined herein. No officer or employee shall intentionally use any property or resources of the Village of Palatine in connection with any prohibited political activity.

(b) At no time shall any officer or employee intentionally require any other officer or employee to perform any prohibited political activity (i) as part of that officer or employee's duties, (ii) as a condition of employment, or (iii) during any compensated time off (such as holidays, vacation or personal time off).

(c) No officer or employee shall be required at any time to participate in any prohibited political activity in consideration for that officer or employee being awarded additional compensation or any benefit, whether in the form of a salary adjustment, bonus, compensatory time off, continued employment or otherwise, nor shall any officer or employee be awarded additional compensation or any benefit in consideration for his or her participation in any prohibited political activity.

(d) Nothing in this Section prohibits activities that are permissible for an officer or employee to engage in as part of his or her official duties, or activities that are undertaken by an officer or employee on a voluntary basis which are not prohibited by this Ordinance.

(e) No person either (i) in a position that is subject to recognized merit principles of public employment or (ii) in a position the salary for which is paid in whole or in part by federal funds and that is subject to the Federal Standards for a Merit System of Personnel Administration applicable to grant-in-aid programs, shall be denied or deprived of employment or tenure solely because he or she is a member or an officer of a political committee, of a political party, or of a political organization or club.

Sec. 2-446. Gift ban.

Sec. 2-446.1. Gift ban. Except as permitted by this Article, no officer or employee, and no spouse of or immediate family member living with any officer or employee (collectively referred to herein as "recipients"), shall intentionally solicit or accept any gift from any prohibited source, as defined herein, or which is otherwise prohibited by law or ordinance. No prohibited source shall intentionally offer or make a gift that violates this Section.

Sec. 2-446.2. Exceptions. Section 2-446.1 is not applicable to the following:

- 1) Opportunities, benefits, and services that are available on the same conditions as for the general public.
- 2) Anything for which the officer or employee, or his or her spouse or immediate family member, pays the fair market value.
- 3) Any (i) contribution that is lawfully made under the Election Code or (ii) activities associated with a fundraising event in support of a political organization or candidate.

- 4) Educational materials and missions.
- 5) Travel expenses for a meeting to discuss business.
- 6) A gift from a relative, meaning those people related to the individual as father, mother, son, daughter, brother, sister, uncle, aunt, great aunt, great uncle, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, half-sister, and including the father, mother, grandfather, or grandmother of the individual's spouse and the individual's fiancé or fiancée.
- 7) Anything provided by an individual on the basis of a personal friendship unless the recipient has reason to believe that, under the circumstances, the gift was provided because of the official position or employment of the recipient or his or her spouse or immediate family member and not because of the personal friendship. In determining whether a gift is provided on the basis of personal friendship, the recipient shall consider the circumstances under which the gift was offered, such as: (i) the history of the relationship between the individual giving the gift and the recipient of the gift, including any previous exchange of gifts between those individuals; (ii) whether to the actual knowledge of the recipient the individual who gave the gift personally paid for the gift or sought a tax deduction or business reimbursement for the gift; and (iii) whether to the actual knowledge of the recipient the individual who gave the gift also at the same time gave the same or similar gifts to other officers or employees, or their spouses or immediate family members.
- 8) Food or refreshments not exceeding \$75.00 per person in value on a single calendar day; provided that the food or refreshments are (i) consumed on the premises from which they were purchased or prepared or (ii) catered. For the purposes of this Section, "catered" means food or refreshments that are purchased ready to consume which are delivered by any means.
- 9) Food, refreshments, lodging, transportation, and other benefits resulting from outside business or employment activities (or outside activities that are not connected to the official duties of an officer or employee), if the benefits have not been offered or enhanced because of the official position or employment of the officer or employee, and are customarily provided to others in similar circumstances.
- 10) Intra-governmental and inter-governmental gifts. For the purpose of this Act, "intragovernmental gift" means any gift given to an officer or employee from another officer or employee, and "inter-governmental gift" means any gift given to an officer or employee by an officer or employee of another governmental entity.
- 11) Bequests, inheritances, and other transfers at death.
- 12) Any item or items from any one prohibited source during any calendar year having a cumulative total value of less than \$100.

Each of the exceptions listed in this Section is mutually exclusive and independent of every other.

Sec. 2-446.3. Disposition of gifts.

An officer or employee, his or her spouse or an immediate family member living with the officer or employee, does not violate this Ordinance if the recipient promptly takes reasonable action to return a gift from a prohibited source to its source or gives the gift or an amount equal to its value to an appropriate charity that is exempt from income taxation under Section 501 (c) (3) of the Internal Revenue Code of 1986, as now or hereafter amended, renumbered, or succeeded.

Sec. 2-447 Ethics commission.

Sec. 2-447.1. There is hereby created a commission to be known as the "Ethics Commission of the Village of Palatine" ("Commission"). The Commission shall be comprised of the Mayor, the Village Clerk, and the senior Village Council Member. If any member of the Commission is the subject of a complaint filed under this Ordinance, for that complaint only, the next senior Village Council Member shall serve on the Commission.

Sec. 2-447.2. At the first meeting of the Commission, the commissioners shall choose a chairperson from their number. Meetings shall be held at the call of the chairperson or any 2 Commissioners. A quorum shall consist of two Commissioners, and official action by the Commission shall require the affirmative vote of two members.

Sec. 2-447.3. The Mayor, with the advice and consent of the Village Council, may remove a Commissioner in case of incompetency, neglect of duty or malfeasance in office after service on the Commissioner by certified mail, return receipt requested, of a copy of the written charges against the Commissioner and after providing an opportunity to be heard in person or by counsel upon not less than 10 days' notice. Any vacancy shall be filled by appointment of the next most senior Village Council Member. If in filling any vacancy it is determined that there is more than one Council Member with the same level of highest seniority, then the Commission chair shall decide who is then to be appointed.

Sec. 2-447.4. The Commission shall have the following powers and duties:

- 1) To meet periodically, if necessary, to promulgate procedures and rules governing the performance of its duties and the exercise of its powers.
- 2) Upon receipt of a signed, notarized, written complaint, to investigate, conduct
- 3) hearings and deliberations, issue recommendations for disciplinary actions, impose fines in accordance with Section 2-448.1(c) of this Ordinance and refer violations of Section 2-445 or Section 2-446 of this Ordinance to the appropriate attorney for prosecution. The Commission shall, however, act only upon the receipt of a written complaint alleging a violation of this Ordinance and not upon its own prerogative.
- 4) To receive information from the public pertaining to its investigations and to require additional information and documents from persons who may have violated the provisions of this Ordinance.
- 5) To compel the attendance of witnesses by subpoena and to compel the production of books and papers pertinent to an investigation. It is the obligation of all officers and employees of the Village to cooperate with the Commission during the course of its investigations. Failure or refusal to cooperate with requests by the Commission shall constitute grounds for discipline or discharge.

- 6) The powers and duties of the Commission are limited to matters clearly within the purview of this Ordinance.

Sec. 2-447.5.

(a) Complaints alleging a violation of this Ordinance shall be filed with the Ethics Commission.

(b) Within three business days after the receipt of a complaint, the Commission shall send by certified mail, return receipt requested, a notice to the respondent that a complaint has been filed against him or her and a copy of the complaint. The Commission shall send by certified mail, return receipt requested, a confirmation of the receipt of the complaint to the complainant within three business days after receipt by the commission. The notices to the respondent and the complainant shall also advise them of the date, time, and place of the meeting to determine the sufficiency of the complaint and to establish whether probable cause exists to proceed.

(c) Upon not less than 48 hours public notice, the Commission shall meet to review the sufficiency of the complaint and, if the complaint is deemed sufficient to allege a violation of this Ordinance, to determine whether there is probable cause, based on the evidence presented by the complainant, to proceed. The meeting may be closed to the public to the extent authorized by the Open Meetings Act. The Commission shall issue notice to the complainant and the respondent of the Commission's ruling on the sufficiency of the complaint and, if necessary, on probable cause to proceed within seven business days after receiving the complaint.

If the complaint is deemed sufficient to allege a violation of Section 2-446 of this Ordinance and there is a determination of probable cause, then the Commission's notice to the parties shall include a hearing date scheduled within four weeks after the complaint's receipt. Alternatively, the Commission may elect to notify in writing the attorney designated by the corporate authorities to prosecute such actions and request that the complaint be adjudicated judicially. If the complaint is deemed not sufficient to allege a violation or if there is no determination of probable cause, then the Commission shall send by certified mail, return receipt requested, a notice to the parties of the decision to dismiss the complaint, and that notice shall be made public.

If the complaint is deemed sufficient to allege a violation of Section 2-445 of this Ordinance, then the Commission shall notify in writing the attorney designated by the corporate authorities to prosecute such actions and shall transmit to the attorney the complaint and all additional documents in the custody of the Commission concerning the alleged violation.

(d) On the scheduled date and upon at least 48 hours public notice of the meeting, the Commission shall conduct a hearing on the complaint and shall allow both parties the opportunity to present testimony and evidence. The hearing may be closed to the public only if authorized by the Open Meetings Act.

(e) Within 30 days after the date the hearing or any recessed hearing is concluded, the Commission shall either (i) dismiss the complaint or (ii) issue a recommendation for discipline of the alleged violator and to the Mayor, Village Council, and Village Manager, and in the instance where the Village Manager is the subject of the complaint, then such recommendation to the Mayor and the Assistant Village Manager, or impose a fine upon the violator, or both. The particular findings in the case, any recommendation for discipline, and any fine imposed shall be a matter of public information.

(f) If the hearing was closed to the public, the respondent may file a written demand for a public hearing on the complaint within seven business days after the issuance of the recommendation for discipline or imposition of a fine, or both. The filing of the demand shall stay the enforcement of the recommendation or fine. Within fourteen days after receiving the demand, the Commission shall conduct a public hearing on the complaint upon at least 48 hours public notice of the hearing and allow both parties the opportunity to present testimony and evidence. Within seven days thereafter, the Commission shall publicly issue a final recommendation to the alleged violator and to the Mayor, Village Council, and Village Manager or impose a fine upon the violator, or both.

(g) If a complaint is filed during the sixty days preceding the date of any election at which the respondent is a candidate, the Commission shall render its decision as required under subsection (e) within seven days after the complaint is filed, and during the seven days preceding that election, the Commission shall render such decision before the date of that election, if possible.

(h) The Commission may fine any person who intentionally violates any provision of Section 2-446 of this Ordinance in an amount of not less than \$1,001 and not more than \$5,000. The Commission may fine any person who knowingly files a frivolous complaint alleging a violation of this Ordinance in an amount of not less than \$1,001 and not more than \$5,000. The Commission may recommend any appropriate discipline up to and including discharge.

(i) A complaint alleging the violation of this Act must be filed within one year after the alleged violation.

Sec. 2-448. Penalties

Sec. 2-448.1. Penalties.

(a) A person who intentionally violates any provision of Section 2-445 of this Ordinance may be punished by a term of incarceration in a penal institution other than a penitentiary for a period of not more than 364 days, and may be fined in an amount not to exceed \$2,500.

(b) A person who intentionally violates any provision of Section 2-446 of this Ordinance is subject to a fine in an amount of not less than \$1,001 and not more than \$5,000.

(c) Any person who intentionally makes a false report alleging a violation of any provision of this Ordinance to the local enforcement authorities, the State's Attorney or any other law enforcement official may be punished by a term of incarceration in a penal institution other than a penitentiary for a period of not more than 364 days, and may be fined in an amount not to exceed \$2,500.

(d) A violation of Section 2-445 of this Ordinance shall be prosecuted as a criminal offense by the Village attorney by filing in the circuit court an information, or sworn complaint, charging such offense. The prosecution shall be under and conform to the rules of criminal procedure. Conviction shall require the establishment of the guilt of the defendant beyond a reasonable doubt.

1. A violation of Section 2-446 of this Ordinance may be prosecuted as a quasi-criminal offense by the Village attorney, or by the Ethics Commission through the designated administrative procedure.

(e) In addition to any other penalty that may be applicable, whether criminal or civil, an officer or employee who intentionally violates any provision of Section 2-445 or Section 2-446 of this Ordinance is subject to discipline or discharge.

Sec. 2-449. Use or disclosure of confidential information.

No current or former official or employee shall use or disclose, other than in the performance of his official duties and responsibilities, or as may be required by law, confidential information gained in the course of or by reason of his position or employment. For purposes of this section, "confidential information" means any information that may not be obtained pursuant to the Illinois Freedom of Information Act, as amended. (Ord. 0-51-05, §1, 3/14/05)

Sec. 2-450. Post-employment restrictions.

(a) No former official or employee shall assist or represent any person or entity other than the Village in any judicial or administrative proceeding involving the Village if the official or employee participated personally and substantively in the proceeding during his term of office or employment.

(b) No former official or employee shall, for a period of one year after the termination of the official's or employee's term of office or employment, be involved in, or assist or represent any person or entity in any business or land use transaction involving the Village. This shall not preclude a former official or employee from representing himself or herself or representing any business owned by the former official or employee, regarding any matter or transaction involving the Village. (Ord. 0-51-05, §1, 3/14/05)

Secs. 2-451--2-458. Reserved.

50 ILCS 105/

**PUBLIC OFFICER PROHIBITED ACTIVITIES
ACT**

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Information maintained by the Legislative Reference Bureau

Updating the database of the Illinois Compiled Statutes (ILCS) is an ongoing process. Recent laws may not yet be included in the ILCS database, but they are found on this site as [Public Acts](#) soon after they become law. For information concerning the relationship between statutes and Public Acts, refer to the [Guide](#).

Because the statute database is maintained primarily for legislative drafting purposes, statutory changes are sometimes included in the statute database before they take effect. If the source note at the end of a Section of the statutes includes a Public Act that has not yet taken effect, the version of the law that is currently in effect may have already been removed from the database and you should refer to that Public Act to see the changes made to the current law.

LOCAL GOVERNMENT **(50 ILCS 105/) Public Officer Prohibited Activities Act.**

(50 ILCS 105/0.01) (from Ch. 102, par. 0.01)

Sec. 0.01. Short title. This Act may be cited as the Public Officer Prohibited Activities Act.

(Source: P.A. 86-1324.)

(50 ILCS 105/1) (from Ch. 102, par. 1)

Sec. 1. County board. No member of a county board, during the term of office for which he or she is elected, may be appointed to, accept, or hold any office other than (i) chairman of the county board or member of the regional planning commission by appointment or election of the board of which he or she is a member, (ii) alderperson of a city or member of the board of trustees of a village or incorporated town if the city, village, or incorporated town has fewer than 1,000 inhabitants and is located in a county having fewer than 50,000 inhabitants, or (iii) trustee of a forest preserve district created under Section 18.5 of the Conservation District Act, unless he or she first resigns from the office of county board member or unless the holding of another office is authorized by law. Any such prohibited appointment or election is void. This Section shall not preclude a member of the county board from being appointed or selected to serve as (i) a member of a County Extension Board as provided in Section 7 of the County Cooperative Extension Law, (ii) a member of an Emergency Telephone System Board as provided in Section 15.4 of the Emergency Telephone System Act, (iii) a member of the board of review as provided in Section 6-30 of the Property Tax Code, or (iv) a public administrator or public guardian as provided in Section 13-1 of the Probate Act of 1975. Nothing in this Act shall be construed to prohibit an elected county official from holding elected office in another unit of local government so long as there is no contractual relationship between the county and the other unit of local government. This amendatory Act of 1995 is declarative of existing law and is not a new enactment.

(Source: P.A. 102-15, eff. 6-17-21.)

(50 ILCS 105/1.1) (from Ch. 102, par. 1.1)

Sec. 1.1. A member of the county board in a county having fewer than 550,000 inhabitants, during the term of office for which he is elected, may also hold the office of township highway commissioner.

(Source: P.A. 86-1330.)

(50 ILCS 105/1.2)

Sec. 1.2. County board member; education office. A member of the county board in a county having fewer than 40,000 inhabitants, during the term of office for which he or she is elected, may also hold the office of member of the board of education, regional board of school trustees, board of school directors, board of a community college district, or board of

school inspectors.

(Source: P.A. 97-460, eff. 8-19-11.)

(50 ILCS 105/1.3)

Sec. 1.3. Municipal board member; education office. In a city, village, or incorporated town with fewer than 2,500 inhabitants, an alderperson of the city or a member of the board of trustees of a village or incorporated town, during the term of office for which he or she is elected, may also hold the office of member of the board of education, regional board of school trustees, board of school directors, or board of school inspectors.

(Source: P.A. 102-15, eff. 6-17-21.)

(50 ILCS 105/2) (from Ch. 102, par. 2)

Sec. 2. No alderperson of any city, or member of the board of trustees of any village, during the term of office for which he or she is elected, may accept, be appointed to, or hold any office by the appointment of the mayor or president of the board of trustees, unless the alderperson or board member is granted a leave of absence from such office, or unless he or she first resigns from the office of alderperson or member of the board of trustees, or unless the holding of another office is authorized by law. The alderperson or board member may, however, serve as a volunteer fireman and receive compensation for that service. The alderperson may also serve as a commissioner of the Beardstown Regional Flood Prevention District board. Any appointment in violation of this Section is void. Nothing in this Act shall be construed to prohibit an elected municipal official from holding elected office in another unit of local government as long as there is no contractual relationship between the municipality and the other unit of local government. This amendatory Act of 1995 is declarative of existing law and is not a new enactment.

(Source: P.A. 102-15, eff. 6-17-21.)

(50 ILCS 105/2a) (from Ch. 102, par. 2a)

Sec. 2a. Township officials.

(a) No township supervisor or trustee, during the term of office for which he or she is elected, may accept, be appointed to, or hold any office by the appointment of the board of township trustees unless he or she first resigns from the office of supervisor or trustee or unless the appointment is specifically authorized by law. A supervisor or trustee may, however, serve as a volunteer firefighter and receive compensation for that service. Any appointment in violation of this Section is void. Nothing in this Act shall be construed to prohibit an elected township official from holding elected office in another unit of local government as long as there is no contractual relationship between the township and the other unit of local government. This amendatory Act of 1995 is declarative of existing law and is not a new enactment.

(b) On and after the effective date of this amendatory Act of the 100th General Assembly, a person elected to or appointed to fill a vacancy in an elected township position, including, but not limited to, a trustee, a supervisor, a highway commissioner, a clerk, an assessor, or a collector, shall not be employed by the township, except that a supervisor or trustee may serve as a volunteer firefighter and receive compensation for that service as provided in subsection (a).

(Source: P.A. 100-868, eff. 1-1-19.)

(50 ILCS 105/3) (from Ch. 102, par. 3)

Sec. 3. Prohibited interest in contracts.

(a) No person holding any office, either by election or

appointment under the laws or Constitution of this State, may be in any manner financially interested directly in his own name or indirectly in the name of any other person, association, trust, or corporation, in any contract or the performance of any work in the making or letting of which such officer may be called upon to act or vote. No such officer may represent, either as agent or otherwise, any person, association, trust, or corporation, with respect to any application or bid for any contract or work in regard to which such officer may be called upon to vote. Nor may any such officer take or receive, or offer to take or receive, either directly or indirectly, any money or other thing of value as a gift or bribe or means of influencing his vote or action in his official character. Any contract made and procured in violation hereof is void. This Section shall not apply to any person serving on an advisory panel or commission, to any director serving on a hospital district board as provided under subsection (a-5) of Section 13 of the Hospital District Law, or to any person serving as both a contractual employee and as a member of a public hospital board as provided under Article 11 of the Illinois Municipal Code in a municipality with a population between 13,000 and 16,000 that is located in a county with a population between 50,000 and 70,000.

(b) However, any elected or appointed member of the governing body may provide materials, merchandise, property, services, or labor, subject to the following provisions under either paragraph (1) or (2):

(1) If:

A. the contract is with a person, firm, partnership, association, corporation, or cooperative association in which such interested member of the governing body of the municipality has less than a 7 1/2% share in the ownership; and

B. such interested member publicly discloses the nature and extent of his interest prior to or during deliberations concerning the proposed award of the contract; and

C. such interested member abstains from voting on the award of the contract, though he shall be considered present for the purposes of establishing a quorum; and

D. such contract is approved by a majority vote of those members presently holding office; and

E. the contract is awarded after sealed bids to the lowest responsible bidder if the amount of the contract exceeds \$1500, or awarded without bidding if the amount of the contract is less than \$1500; and

F. the award of the contract would not cause the aggregate amount of all such contracts so awarded to the same person, firm, association, partnership, corporation, or cooperative association in the same fiscal year to exceed \$25,000.

(2) If:

A. the award of the contract is approved by a majority vote of the governing body of the municipality provided that any such interested member shall abstain from voting; and

B. the amount of the contract does not exceed \$2,000; and

C. the award of the contract would not cause the aggregate amount of all such contracts so awarded to the same person, firm, association, partnership, corporation, or cooperative association in the same fiscal year to exceed \$4,000; and

D. such interested member publicly discloses the

nature and extent of his interest prior to or during deliberations concerning the proposed award of the contract; and

E. such interested member abstains from voting on the award of the contract, though he shall be considered present for the purposes of establishing a quorum.

(b-5) In addition to the above exemptions, any elected or appointed member of the governing body may provide materials, merchandise, property, services, or labor if:

A. the contract is with a person, firm, partnership, association, corporation, or cooperative association in which the interested member of the governing body of the municipality, advisory panel, or commission has less than a 1% share in the ownership; and

B. the award of the contract is approved by a majority vote of the governing body of the municipality provided that any such interested member shall abstain from voting; and

C. such interested member publicly discloses the nature and extent of his interest before or during deliberations concerning the proposed award of the contract; and

D. such interested member abstains from voting on the award of the contract, though he shall be considered present for the purposes of establishing a quorum.

(c) A contract for the procurement of public utility services by a public entity with a public utility company is not barred by this Section by one or more members of the governing body of the public entity being an officer or employee of the public utility company or holding an ownership interest of no more than 7 1/2% in the public utility company, or holding an ownership interest of any size if the public entity is a municipality with a population of less than 7,500 and the public utility's rates are approved by the Illinois Commerce Commission. An elected or appointed member of the governing body of the public entity having such an interest shall be deemed not to have a prohibited interest under this Section.

(d) Notwithstanding any other provision of this Section or any other law to the contrary, until January 1, 1994, a member of the city council of a municipality with a population under 20,000 may purchase real estate from the municipality, at a price of not less than 100% of the value of the real estate as determined by a written MAI certified appraisal or by a written certified appraisal of a State certified or licensed real estate appraiser, if the purchase is approved by a unanimous vote of the city council members then holding office (except for the member desiring to purchase the real estate, who shall not vote on the question).

(e) For the purposes of this Section only, a municipal officer shall not be deemed interested if the officer is an employee of a company or owns or holds an interest of 1% or less in the municipal officer's individual name in a company, or both, that company is involved in the transaction of business with the municipality, and that company's stock is traded on a nationally recognized securities market, provided the interested member: (i) publicly discloses the fact that he or she is an employee or holds an interest of 1% or less in a company before deliberation of the proposed award of the contract; (ii) refrains from evaluating, recommending, approving, deliberating, or otherwise participating in negotiation, approval, or both, of the contract, work, or business; (iii) abstains from voting on the award of the contract though he or she shall be considered present for purposes of establishing a quorum; and (iv) the contract is approved by a majority vote of those members

currently holding office.

A municipal officer shall not be deemed interested if the officer owns or holds an interest of 1% or less, not in the officer's individual name but through a mutual fund or exchange-traded fund, in a company, that company is involved in the transaction of business with the municipality, and that company's stock is traded on a nationally recognized securities market.

(f) Under either of the following circumstances, a municipal, county, or township officer may hold a position on the board of a not-for-profit corporation that is interested in a contract, work, or business of the municipality, county, or township:

(1) If the municipal, county, or township officer is appointed by the governing body of the municipality, county, or township to represent the interests of the municipality, county, or township on a not-for-profit corporation's board, then the municipal, county, or township officer may actively vote on matters involving either that board or the municipality, county, or township, at any time, so long as the membership on the not-for-profit board is not a paid position, except that the municipal, county, or township officer may be reimbursed by the not-for-profit board for expenses incurred as the result of membership on the not-for-profit board.

(2) If the municipal, county, or township officer is not appointed to the governing body of a not-for-profit corporation by the governing body of the municipality, county, or township, then the municipal, county, or township officer may continue to serve; however, the municipal, county, or township officer shall abstain from voting on any proposition before the municipal, county, or township governing body directly involving the not-for-profit corporation and, for those matters, shall not be counted as present for the purposes of a quorum of the municipal, county, or township governing body.

(Source: P.A. 103-25, eff. 1-1-24.)

(50 ILCS 105/3.1) (from Ch. 102, par. 3.1)

Sec. 3.1. Before any contract relating to the ownership or use of real property is entered into by and between the State or any local governmental unit or any agency of either the identity of every owner and beneficiary having any interest, real or personal, in such property, and every member, shareholder, limited partner, or general partner entitled to receive more than 7 1/2% of the total distributable income of any limited liability company, corporation, or limited partnership having any interest, real or personal, in such property must be disclosed. The disclosure shall be in writing and shall be subscribed by a member, owner, authorized trustee, corporate official, general partner, or managing agent, or his or her authorized attorney, under oath. However, if the interest, stock, or shares in a limited liability company, corporation, or general partnership is publicly traded and there is no readily known individual having greater than a 7 1/2% interest, then a statement to that effect, subscribed to under oath by a member, officer of the corporation, general partner, or managing agent, or his or her authorized attorney, shall fulfill the disclosure statement requirement of this Section. As a condition of contracts entered into on or after the effective date of this amendatory Act of 1995, the beneficiaries of a lease shall furnish the trustee of a trust subject to disclosure under this Section with a binding non-revocable letter of direction authorizing the trustee to provide the State with an up-to-date

disclosure whenever requested by the State. The letter of direction shall be binding on beneficiaries' heirs, successors, and assigns during the term of the contract. This Section shall be liberally construed to accomplish the purpose of requiring the identification of the actual parties benefiting from any transaction with a governmental unit or agency involving the procurement of the ownership or use of real property thereby.

For any entity that is wholly or partially owned by another entity, the names of the owners of the wholly or partially owning entity shall be disclosed under this Section, as well as the names of the owners of the wholly or partially owned entity. (Source: P.A. 91-361, eff. 7-29-99.)

(50 ILCS 105/3.2) (from Ch. 102, par. 3.2)

Sec. 3.2. Pecuniary interest allowed in contracts of deposit and financial service with local banks and savings and loan associations. Nothing contained in this Act, including the restrictions set forth in subsections (b), (c), and (d) of Section 3, shall preclude a contract of deposit of monies, loans, or other financial services by a unit of local government, school district, community college district, State university, or a police or firefighter's pension fund established under Article 3 or 4 of the Illinois Pension Code with a local bank or local savings and loan association, regardless of whether a member or members of the governing body of the unit (including any director serving on a hospital district board as provided under subsection (a-5) of Section 13 of the Hospital District Law) are interested in the bank or savings and loan association as a director, an officer, employee, or holder of less than 7 1/2% of the total ownership interest. A member or members holding such an interest in such a contract shall not be deemed to be holding a prohibited interest for purposes of this Act. The interested member or members of the governing body must publicly state the nature and extent of their interest during deliberations concerning the proposed award of such a contract, but shall not participate in any further deliberations concerning the proposed award. The interested member or members shall not vote on such a proposed award. Any member or members abstaining from participation in deliberations and voting under this Section may be considered present for purposes of establishing a quorum. Award of such a contract shall require approval by a majority vote of those members presently holding office. Consideration and award of any such contract in which a member or members are interested may only be made at a regularly scheduled public meeting of the governing body of the unit or district.

(Source: P.A. 90-197, eff. 1-1-98.)

(50 ILCS 105/4) (from Ch. 102, par. 4)

Sec. 4. Any alderperson, member of a board of trustees, supervisor or county commissioner, or other person holding any office, either by election or appointment under the laws or constitution of this state, who violates any provision of the preceding sections, is guilty of a Class 4 felony and in addition thereto, any office or official position held by any person so convicted shall become vacant, and shall be so declared as part of the judgment of court. This Section does not apply to a violation of subsection (b) of Section 2a.

(Source: P.A. 102-15, eff. 6-17-21.)

(50 ILCS 105/4.1)

Sec. 4.1. Retaliation against a whistleblower.

(a) It is prohibited for a unit of local government, any agent or representative of a unit of local government, or

another employee to retaliate against an employee or contractor who:

(1) reports an improper governmental action under this Section;

(2) cooperates with an investigation by an auditing official related to a report of improper governmental action; or

(3) testifies in a proceeding or prosecution arising out of an improper governmental action.

(b) To invoke the protections of this Section, an employee shall make a written report of improper governmental action to the appropriate auditing official. An employee who believes he or she has been retaliated against in violation of this Section must submit a written report to the auditing official within 60 days of gaining knowledge of the retaliatory action. If the auditing official is the individual doing the improper governmental action, then a report under this subsection may be submitted to any State's Attorney.

(c) Each auditing official shall establish written processes and procedures for managing complaints filed under this Section, and each auditing official shall investigate and dispose of reports of improper governmental action in accordance with these processes and procedures. If an auditing official concludes that an improper governmental action has taken place or concludes that the relevant unit of local government, department, agency, or supervisory officials have hindered the auditing official's investigation into the report, the auditing official shall notify in writing the chief executive of the unit of local government and any other individual or entity the auditing official deems necessary in the circumstances.

(d) An auditing official may transfer a report of improper governmental action to another auditing official for investigation if an auditing official deems it appropriate, including, but not limited to, the appropriate State's Attorney.

(e) To the extent allowed by law, the identity of an employee reporting information about an improper governmental action shall be kept confidential unless the employee waives confidentiality in writing. Auditing officials may take reasonable measures to protect employees who reasonably believe they may be subject to bodily harm for reporting improper government action.

(f) The following remedies are available to employees subjected to adverse actions for reporting improper government action:

(1) Auditing officials may reinstate, reimburse for lost wages or expenses incurred, promote, or provide some other form of restitution.

(2) In instances where an auditing official determines that restitution will not suffice, the auditing official may make his or her investigation findings available for the purposes of aiding in that employee or the employee's attorney's effort to make the employee whole.

(g) A person who engages in prohibited retaliatory action under subsection (a) is subject to the following penalties: a fine of no less than \$500 and no more than \$5,000, suspension without pay, demotion, discharge, civil or criminal prosecution, or any combination of these penalties, as appropriate.

(h) Every employee shall receive a written summary or a complete copy of this Section upon commencement of employment and at least once each year of employment. At the same time, the employee shall also receive a copy of the written processes and procedures for reporting improper governmental actions from the applicable auditing official.

(i) As used in this Section:

"Auditing official" means any elected, appointed, or hired individual, by whatever name, in a unit of local government whose duties are similar to, but not limited to, receiving, registering, and investigating complaints and information concerning misconduct, inefficiency, and waste within the unit of local government; investigating the performance of officers, employees, functions, and programs; and promoting economy, efficiency, effectiveness and integrity in the administration of the programs and operations of the municipality. If a unit of local government does not have an "auditing official", the "auditing official" shall be a State's Attorney of the county in which the unit of local government is located.

"Employee" means anyone employed by a unit of local government, whether in a permanent or temporary position, including full-time, part-time, and intermittent workers. "Employee" also includes members of appointed boards or commissions, whether or not paid. "Employee" also includes persons who have been terminated because of any report or complaint submitted under this Section.

"Improper governmental action" means any action by a unit of local government employee, an appointed member of a board, commission, or committee, or an elected official of the unit of local government that is undertaken in violation of a federal, State, or unit of local government law or rule; is an abuse of authority; violates the public's trust or expectation of his or her conduct; is of substantial and specific danger to the public's health or safety; or is a gross waste of public funds. The action need not be within the scope of the employee's, elected official's, board member's, commission member's, or committee member's official duties to be subject to a claim of "improper governmental action". "Improper governmental action" does not include a unit of local government personnel actions, including, but not limited to employee grievances, complaints, appointments, promotions, transfers, assignments, reassignments, reinstatements, restorations, reemployment, performance evaluations, reductions in pay, dismissals, suspensions, demotions, reprimands, or violations of collective bargaining agreements, except to the extent that the action amounts to retaliation.

"Retaliate", "retaliation", or "retaliatory action" means any adverse change in an employee's employment status or the terms and conditions of employment that results from an employee's protected activity under this Section. "Retaliatory action" includes, but is not limited to, denial of adequate staff to perform duties; frequent staff changes; frequent and undesirable office changes; refusal to assign meaningful work; unsubstantiated letters of reprimand or unsatisfactory performance evaluations; demotion; reduction in pay; denial of promotion; transfer or reassignment; suspension or dismissal; or other disciplinary action made because of an employee's protected activity under this Section.

(Source: P.A. 101-652, eff. 7-1-21; 102-813, eff. 5-13-22.)

(50 ILCS 105/4.5)

Sec. 4.5. False verification; perjury. A person is guilty of perjury who:

(1) In swearing on oath or otherwise affirming a statement in writing as required under this Act, knowingly makes a false statement as to, or knowingly omits a material fact relating to, the identification of an individual or entity that has an ownership interest in real property, or that is material to an issue or point in question in the written disclosure pertaining to a contract for the ownership or use of real property.

(2) Having taken a lawful oath or made affirmation, testifies willfully and falsely as to any of those matters for the purpose of inducing the State or any local governmental unit or any agency of either to enter into a contract for the ownership or use of real property.

(3) Suborns any other person to so swear, affirm, or testify.

Upon conviction of perjury, a person shall be sentenced as provided in Section 32-2 or 32-3, respectively, of the Criminal Code of 2012 for those offenses.

This Section applies to written statements made or testimony given on or after the effective date of this amendatory Act of 1995.

(Source: P.A. 97-1150, eff. 1-25-13.)

5 ILCS 430
STATE OFFICIALS AND EMPLOYEE ETHICS
ACT

Article 10

GIFT BAN

Disclaimer: The attached material contains provisions of the Illinois Compiled Statutes from databases that were created for the use of the members and staff of the Illinois General Assembly. The provisions have NOT been edited for publication and are NOT in any sense the “official” text of the Illinois Compiled Statutes as enacted into law. The accuracy of any specific provision originating from this site cannot be assured, and you are urged to consult the official documents or contact legal counsel of your choice. This site should not be cited as an official or authoritative source. Court decisions may affect the interpretation and constitutionality of statutes.

Information maintained by the Legislative Reference Bureau

Updating the database of the Illinois Compiled Statutes (ILCS) is an ongoing process. Recent laws may not yet be included in the ILCS database, but they are found on this site as [Public Acts](#) soon after they become law. For information concerning the relationship between statutes and Public Acts, refer to the [Guide](#).

Because the statute database is maintained primarily for legislative drafting purposes, statutory changes are sometimes included in the statute database before they take effect. If the source note at the end of a Section of the statutes includes a Public Act that has not yet taken effect, the version of the law that is currently in effect may have already been removed from the database and you should refer to that Public Act to see the changes made to the current law.

GENERAL PROVISIONS (5 ILCS 430/) State Officials and Employees Ethics Act.

(5 ILCS 430/Art. 10 heading)

ARTICLE 10

GIFT BAN

(Source: P.A. 93-617, eff. 12-9-03.)

(5 ILCS 430/10-10)

Sec. 10-10. Gift ban. Except as otherwise provided in this Article, no officer, member, or State employee shall intentionally solicit or accept any gift from any prohibited source or in violation of any federal or State statute, rule, or regulation. This ban applies to and includes the spouse of and immediate family living with the officer, member, or State employee. No prohibited source shall intentionally offer or make a gift that violates this Section.

(Source: P.A. 93-617, eff. 12-9-03.)

(5 ILCS 430/10-15)

Sec. 10-15. Gift ban; exceptions. The restriction in Section 10-10 does not apply to the following:

(1) Opportunities, benefits, and services that are available on the same conditions as for the general public.

(2) Anything for which the officer, member, or State employee pays the market value.

(3) Any (i) contribution that is lawfully made under the Election Code or under this Act or (ii) activities associated with a fundraising event in support of a political organization or candidate.

(4) Educational materials and missions. This exception may be further defined by rules adopted by the appropriate ethics commission or by the Auditor General for the Auditor General and employees of the Office of the Auditor General.

(5) Travel expenses for a meeting to discuss State business. This exception may be further defined by rules adopted by the appropriate ethics commission or by the Auditor General for the Auditor General and employees of the Office of the Auditor General.

(6) A gift from a relative, meaning those people related to the individual as father, mother, son, daughter, brother, sister, uncle, aunt, great aunt, great uncle, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, and including the father, mother, grandfather, or grandmother of the individual's spouse and the individual's fiancée or fiancée.

(7) Anything provided by an individual on the basis of a personal friendship unless the member, officer, or employee has reason to believe that, under the circumstances, the gift was provided because of the official position or employment of the member, officer, or employee and not because of the personal friendship.

In determining whether a gift is provided on the basis of personal friendship, the member, officer, or employee shall consider the circumstances under which the gift was offered, such as:

(i) the history of the relationship between the individual giving the gift and the recipient of the gift, including any previous exchange of gifts between those individuals;

(ii) whether to the actual knowledge of the member, officer, or employee the individual who gave the gift personally paid for the gift or sought a tax deduction or business reimbursement for the gift; and

(iii) whether to the actual knowledge of the member, officer, or employee the individual who gave the gift also at the same time gave the same or similar gifts to other members, officers, or employees.

(8) Food or refreshments not exceeding \$75 per person in value on a single calendar day; provided that the food or refreshments are (i) consumed on the premises from which they were purchased or prepared or (ii) catered. For the purposes of this Section, "catered" means food or refreshments that are purchased ready to eat and delivered by any means.

(9) Food, refreshments, lodging, transportation, and other benefits resulting from the outside business or employment activities (or outside activities that are not connected to the duties of the officer, member, or employee as an office holder or employee) of the officer, member, or employee, or the spouse of the officer, member, or employee, if the benefits have not been offered or enhanced because of the official position or employment of the officer, member, or employee, and are customarily provided to others in similar circumstances.

(10) Intra-governmental and inter-governmental gifts. For the purpose of this Act, "intra-governmental gift" means any gift given to a member, officer, or employee of a State agency from another member, officer, or employee of the same State agency; and "inter-governmental gift" means any gift given to a member, officer, or employee of a State agency, by a member, officer, or employee of another State agency, of a federal agency, or of any governmental entity.

(11) Bequests, inheritances, and other transfers at death.

(12) Any item or items from any one prohibited source during any calendar year having a cumulative total value of less than \$100.

Each of the exceptions listed in this Section is mutually exclusive and independent of one another.

(Source: P.A. 93-617, eff. 12-9-03.)

(5 ILCS 430/10-30)

Sec. 10-30. Gift ban; disposition of gifts. A member, officer, or employee does not violate this Act if the member, officer, or employee promptly takes reasonable action to return the prohibited gift to its source or gives the gift or an amount equal to its value to an appropriate charity that is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as now or hereafter amended, renumbered, or

succeeded.

(Source: P.A. 93-617, eff. 12-9-03.)

(5 ILCS 430/10-40)

Sec. 10-40. Gift ban; further restrictions. A State agency may adopt or maintain policies that are more restrictive than those set forth in this Article and may continue to follow any existing policies, statutes, or regulations that are more restrictive or are in addition to those set forth in this Article.

(Source: P.A. 93-617, eff. 12-9-03.)