

# SB1176



## 104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1176

Introduced 1/24/2025, by Sen. Michael W. Halpin

### SYNOPSIS AS INTRODUCED:

30 ILCS 605/7.1

from Ch. 127, par. 133b10.1

Amends the State Property Control Act. In a provision concerning submission of an Annual Real Property Utilization Report, changes the due date for the Report from July 31 to August 31 of each year.

LRB104 06302 BDA 16337 b

A BILL FOR

1 AN ACT concerning finance.

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

4 Section 5. The State Property Control Act is amended by  
5 changing Section 7.1 as follows:

6 (30 ILCS 605/7.1) (from Ch. 127, par. 133b10.1)

7 Sec. 7.1. (a) Except as otherwise provided by law, all  
8 surplus real property held by the State of Illinois shall be  
9 disposed of by the administrator as provided in this Section.  
10 "Surplus real property," as used in this Section, means any  
11 real property to which the State holds fee simple title or  
12 lesser interest, and is vacant and determined by the head of  
13 the owning agency to no longer be required for the State  
14 agency's needs and responsibilities and has no foreseeable use  
15 by the owning agency. Title to the surplus real property may  
16 remain with the owning agency throughout the disposition  
17 process if approved by the Administrator; however, the  
18 Administrator and the Department of Central Management  
19 Services shall have sole responsibility and authority for  
20 disposing of the property as set out in this Section.

21 (b) All responsible officers shall submit an Annual Real  
22 Property Utilization Report to the Administrator, or annual  
23 update of such report, on forms required by the Administrator,

1 by August ~~July~~ 31 of each year. The Administrator may require  
2 such documentation as he deems reasonably necessary in  
3 connection with this Report, and shall require that such  
4 Report include the following information:

5 (1) A legal description of all real property owned by  
6 the State under the control of the responsible officer.

7 (2) A description of the use of the real property  
8 listed under (1).

9 (3) A list of any improvements made to such real  
10 property during the previous year.

11 (4) The dates on which the State first acquired its  
12 interest in such real property, and the purchase price and  
13 source of the funds used to acquire the property.

14 (5) Plans for the future use of currently unused real  
15 property.

16 (6) A declaration of any surplus real property. On or  
17 before October 31 of each year the Administrator shall  
18 furnish copies of each responsible officer's report along  
19 with a list of surplus property indexed by legislative  
20 district to the General Assembly.

21 This report shall be filed with the Speaker, the Minority  
22 Leader and the Clerk of the House of Representatives and the  
23 President, the Minority Leader and the Secretary of the Senate  
24 and shall be duplicated and made available to the members of  
25 the General Assembly for evaluation by such members for  
26 possible liquidation of unused public property at public sale.

1 (c) Following receipt of the Annual Real Property  
2 Utilization Report required under paragraph (b), the  
3 Administrator shall notify all State agencies by October 31 of  
4 all declared surplus real property.

5 (d) Any surplus real property shall be disposed of by the  
6 Administrator. No appraisal is required if during his initial  
7 survey of surplus real property the Administrator determines  
8 such property has a fair market value of less than \$5,000. If  
9 the value of such property is determined by the Administrator  
10 in his initial survey to be \$5,000 or more, then the  
11 Administrator shall obtain 2 appraisals of such real property,  
12 which shall include known liabilities, including, but not  
13 limited to, environmental costs. The average of these 2  
14 appraisals shall represent the fair market value of the  
15 surplus real property.

16 No surplus real property may be conveyed by the  
17 Administrator for less than the fair market value, unless the  
18 Administrator makes a written determination that it is in the  
19 best interests of the State to establish a different value.  
20 That written determination shall be published in the Illinois  
21 Procurement Bulletin. Such written determination, along with  
22 an affidavit setting forth the conditions and circumstances  
23 that make the use of a different value in the best interests of  
24 the State, shall also be filed with the Executive Ethics  
25 Commission. The Executive Ethics Commission shall have 30 days  
26 to review the written determination. The Executive Ethics

1 Commission may order an additional 30 days to review the  
2 written determination. The Administrator shall provide the  
3 Executive Ethics Commission with any information requested by  
4 the Executive Ethics Commission related to the Administrator's  
5 determination of the value of the surplus real property. If  
6 the Executive Ethics Commission objects in writing to the  
7 value determined by the Administrator, then the Administrator  
8 shall not convey the surplus real property for less than  
9 either the fair market value as determined by the average of  
10 appraisals or an amount agreed upon by the Executive Ethics  
11 Commission and the Administrator. Circumstances in which it is  
12 in the best interests of the State to establish a different  
13 value may include, but are not limited to, the following: (i)  
14 an auction did not yield any bids at the established fair  
15 market value; (ii) a unit of local government is interested in  
16 acquiring the surplus real property; or (iii) the costs to the  
17 State of maintaining such surplus real property are  
18 sufficiently high that it would be reasonable to a prudent  
19 person to sell such surplus real property for less than the  
20 fair market value established by the average of the  
21 appraisals. In no event shall the Administrator sell surplus  
22 real property for less than 75% of fair market value and before  
23 such property has been offered to an interested unit of local  
24 government or made available at public auction.

25 Prior to offering the surplus real property for sale to  
26 the public the Administrator shall give notice in writing of

1 the existence of the surplus real property to each State  
2 agency and to the governing bodies of the county and of all  
3 cities, villages and incorporated towns in the county in which  
4 such real property is located. Any such State agency or  
5 governing body may notify the Administrator of its interest in  
6 acquiring the surplus real property within a notice period set  
7 by the Administrator of at least 30 days. If any State agency  
8 notifies the Administrator of its interest in acquiring the  
9 surplus property, the Administrator may deny any such requests  
10 by such agency if the Administrator determines that it is more  
11 advantageous to the State to dispose of the surplus real  
12 property to a governing body or the public. If a governing body  
13 notifies the Administrator of its interest in acquiring the  
14 property, then the Administrator shall wait a minimum of 30  
15 additional days during which the Administrator may engage in  
16 negotiations with such governing body for the sale of the  
17 surplus real property. After the notice period set by the  
18 Administrator of at least 30 days has passed, the  
19 Administrator may sell the surplus real property by public  
20 auction, which may include an electronic auction or the use of  
21 sealed bids, following notice of such sale by publication on 3  
22 separate days not less than 15 nor more than 30 days prior to  
23 the sale in the State newspaper and in a newspaper having  
24 general circulation in the county in which the surplus real  
25 property is located. The Administrator shall post "For Sale"  
26 signs of a conspicuous nature on such surplus real property

1 offered for sale to the public. If no acceptable offers for the  
2 surplus real property are received, the Administrator may have  
3 new appraisals of such property made. The Administrator shall  
4 have all power necessary to convey surplus real property under  
5 this Section. All moneys received for the sale of surplus real  
6 property shall be deposited in the General Revenue Fund,  
7 except that:

8 (1) Where moneys expended for the acquisition of such  
9 real property were from a special fund which is still a  
10 special fund in the State treasury, this special fund  
11 shall be reimbursed in the amount of the original  
12 expenditure and any amount in excess thereof shall be  
13 deposited in the General Revenue Fund.

14 (2) Whenever a State mental health facility operated  
15 by the Department of Human Services is closed and the real  
16 estate on which the facility is located is sold by the  
17 State, the net proceeds of the sale of the real estate  
18 shall be deposited into the Community Mental Health  
19 Medicaid Trust Fund.

20 (3) Whenever a State developmental disabilities  
21 facility operated by the Department of Human Services is  
22 closed and the real estate on which the facility is  
23 located is sold by the State, the net proceeds of the sale  
24 of the real estate shall be deposited into the Community  
25 Developmental Disability Services Medicaid Trust Fund.

26 The Administrator shall have authority to order such

1 surveys, abstracts of title, or commitments for title  
2 insurance as may, in his reasonable discretion, be deemed  
3 necessary to demonstrate to prospective purchasers or bidders  
4 good and marketable title in any property offered for sale  
5 pursuant to this Section. Unless otherwise specifically  
6 authorized by the General Assembly, all conveyances of  
7 property made by the Administrator shall be by quit claim  
8 deed.

9 (e) The Administrator shall submit an annual report on or  
10 before February 1 to the Governor and the General Assembly  
11 containing a detailed statement of surplus real property  
12 either transferred or conveyed under this Section.

13 (Source: P.A. 102-280, eff. 8-6-21.)