



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB0352

by Rep. Thomas M. Bennett

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.891 new
30 ILCS 105/6z-65.1 new
30 ILCS 605/7.1

from Ch. 127, par. 133b10.1

Amends the State Property Control Act. Provides that "surplus real property" means property that is determined by the head of the owning agency to no longer be required for the State agency's needs and responsibilities (currently, vacant, unoccupied or unused and having no foreseeable use by the owning agency). Makes changes concerning transfers of surplus real property to State agencies. Provides that surplus real property may be conveyed by the Administrator for less than fair market value if the Administrator makes a written determination that it is in the best interests of the State to establish a different value. Provides that the determination shall be published in the Illinois Procurement Bulletin and filed with the Executive Ethics Commission. Provides that the proceeds from the sale of surplus real property shall be deposited into the Deferred Maintenance Property Fund and shall be used for the maintenance and repair of State properties. Amends the State Finance Act to create the Deferred Maintenance Property Fund.

LRB101 06822 RJF 51851 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning State government.

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

4 Section 5. The State Finance Act is amended by adding
5 Sections 5.891 and 6z-65.1 as follows:

6 (30 ILCS 105/5.891 new)

7 Sec. 5.891. The Deferred Maintenance Property Fund.

8 (30 ILCS 105/6z-65.1 new)

9 Sec. 6z-65.1. The Deferred Maintenance Property Fund.

10 (a) The Deferred Maintenance Property Fund is created as a
11 special fund in the State treasury. The proceeds of a sale of
12 surplus property by the Department of Central Management
13 Services shall be deposited into the Fund.

14 (b) Revenue derived from the sale of surplus property shall
15 be expended only for the following purposes: payment of
16 property obligations; costs for construction, reconstruction,
17 maintenance, repair, and any betterment of State owned
18 properties; and other statutory purposes.

19 (c) Any federal funds in the Deferred Maintenance Property
20 Fund may be spent for any purposes authorized by federal law.

21 (d) None of the revenues described in this Section shall,
22 by transfer, offset, or otherwise, be diverted to any other

1 purpose.

2 Section 10. The State Property Control Act is amended by
3 changing Section 7.1 as follows:

4 (30 ILCS 605/7.1) (from Ch. 127, par. 133b10.1)

5 Sec. 7.1. (a) Except as otherwise provided by law, all
6 surplus real property held by the State of Illinois shall be
7 disposed of by the administrator as provided in this Section.
8 "Surplus real property," as used in this Section, means any
9 real property to which the State holds fee simple title or
10 lesser interest, and is determined by the head of the owning
11 agency to no longer be required for the State agency's needs
12 and responsibilities ~~vacant, unoccupied or unused and which has~~
13 ~~no foreseeable use by the owning agency.~~

14 (b) All responsible officers shall submit an Annual Real
15 Property Utilization Report to the Administrator, or annual
16 update of such report, on forms required by the Administrator,
17 by July 31 of each year. The Administrator may require such
18 documentation as he deems reasonably necessary in connection
19 with this Report, and shall require that such Report include
20 the following information:

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

23 (2) A description of the use of the real property listed
24 under (1).

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

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

6 (5) Plans for the future use of currently unused real
7 property.

8 (6) A declaration of any surplus real property. On or
9 before October 31 of each year the Administrator shall furnish
10 copies of each responsible officer's report along with a list
11 of surplus property indexed by legislative district to the
12 General Assembly.

13 This report shall be filed with the Speaker, the Minority
14 Leader and the Clerk of the House of Representatives and the
15 President, the Minority Leader and the Secretary of the Senate
16 and shall be duplicated and made available to the members of
17 the General Assembly for evaluation by such members for
18 possible liquidation of unused public property at public sale.

19 (c) Following receipt of the Annual Real Property
20 Utilization Report required under paragraph (b), the
21 Administrator shall notify all State agencies by October 31 of
22 all declared surplus real property. ~~Any State agency may submit~~
23 ~~a written request to the Administrator, within 60 days of the~~
24 ~~date of such notification, to have control of surplus real~~
25 ~~property transferred to that agency. Such request must indicate~~
26 ~~the reason for the transfer and the intended use to be made of~~

1 ~~such surplus real property. The Administrator may deny any or~~
2 ~~all such requests by a State agency or agencies if the~~
3 ~~Administrator determines that it is more advantageous to the~~
4 ~~State to dispose of the surplus real property under paragraph~~
5 ~~(d). In case requests for the same surplus real property are~~
6 ~~received from more than one State agency, the Administrator~~
7 ~~shall weigh the benefits to the State and determine to which~~
8 ~~agency, if any, to transfer control of such property. The~~
9 ~~Administrator shall coordinate the use and disposal of State~~
10 ~~surplus real property with any State space utilization program.~~

11 (d) Any surplus real property ~~which is not transferred to~~
12 ~~the control of another State agency under paragraph (c)~~ shall
13 be disposed of by the Administrator. No appraisal is required
14 if during his initial survey of surplus real property the
15 Administrator determines such property has a fair market value
16 of less than \$5,000. If the value of such property is
17 determined by the Administrator in his initial survey to be
18 \$5,000 or more, then the Administrator shall obtain 2 3
19 appraisals of such real property, which shall include known
20 liabilities, including, but not limited to, environmental
21 costs ~~one of which shall be performed by an appraiser residing~~
22 ~~in the county in which said surplus real property is located.~~
23 The average of these 2 3 appraisals, ~~plus the costs of~~
24 ~~obtaining the appraisals,~~ shall represent the fair market value
25 of the surplus real property. However, if the 2 appraisals
26 differ by more than 15%, then the Administrator shall obtain a

1 third appraisal, and the fair market value shall be the average
2 of these 3 appraisals.

3 No surplus real property may be conveyed by the
4 Administrator for less than the fair market value unless the
5 Administrator makes a written determination that it is in the
6 best interests of the State to establish a different value.
7 That written determination shall be published in the Illinois
8 Procurement Bulletin. Such written determination, along with
9 an affidavit setting forth the conditions and circumstances
10 that make the use of a different value in the best interests of
11 the State, shall also be filed with the Executive Ethics
12 Commission. The Executive Ethics Commission shall have 30 days
13 to review the written determination. The Executive Ethics
14 Commission may order an additional 30 days to review the
15 written determination. The Administrator shall provide the
16 Executive Ethics Commission with any information requested by
17 the Executive Ethics Commission related to the Administrator's
18 determination of the value of the surplus real property. If the
19 Executive Ethics Commission objects in writing to the value
20 determined by the Administrator, then the Administrator shall
21 not convey the surplus real property for less than either the
22 fair market value as determined by the average of appraisals or
23 an amount agreed upon by the Executive Ethics Commission and
24 the Administrator. Circumstances in which it is in the best
25 interest of the State to establish a different value may
26 include, but are not limited to, the following: an auction did

1 not yield any bids at the established fair market value; a unit
2 of local government is interested in acquiring the surplus real
3 property; or the costs to the State of maintaining such surplus
4 real property are sufficiently high that it would be reasonable
5 to a prudent person to sell such surplus real property for less
6 than the fair market value established by the average of the
7 appraisals.

8 Prior to offering the surplus real property for sale to the
9 public the Administrator shall give notice in writing of the
10 existence ~~and fair market value~~ of the surplus real property to
11 each State agency and to the governing bodies of the county and
12 of all cities, villages and incorporated towns in the county in
13 which such real property is located. Any such State agency or
14 governing body may notify the Administrator of its interest in
15 acquiring ~~exercise its option to acquire~~ the surplus real
16 property ~~for the fair market value~~ within a notice period set
17 by the Administrator of at least 14 days. If any State agency
18 notifies the Administrator of its interest in acquiring the
19 surplus property, the Administrator may deny any such requests
20 by such agency if the Administrator determines that it is more
21 advantageous to the State to dispose of the surplus real
22 property to a governing body or the public. If a governing body
23 notifies the Administrator of its interest in acquiring the
24 property, then the Administrator shall wait a minimum of 30
25 additional days during which the Administrator may engage in
26 negotiations with such governing body for the sale of the

1 surplus real property ~~60 days of the notice~~. After the notice
2 period set by the Administrator of at least 14 days ~~the 60 day~~
3 ~~period~~ has passed, the Administrator may sell the surplus real
4 property by public auction, which may include an electronic
5 auction or the use of sealed bids, following notice of such
6 sale by publication on 3 separate days not less than 15 nor
7 more than 30 days prior to the sale in the State newspaper and
8 in a newspaper having general circulation in the county in
9 which the surplus real property is located. The Administrator
10 shall post "For Sale" signs of a conspicuous nature on such
11 surplus real property offered for sale to the public. If no
12 acceptable offers for the surplus real property are received,
13 the Administrator may have new appraisals of such property
14 made. The Administrator shall have all power necessary to
15 convey surplus real property under this Section. All moneys
16 received for the sale of surplus real property shall be
17 deposited into the Deferred Maintenance Property Fund and shall
18 be used for the maintenance and repair of State properties ~~in~~
19 ~~the General Revenue Fund~~, except that:

20 (1) Where moneys expended for the acquisition of such
21 real property were from a special fund which is still a
22 special fund in the State treasury, this special fund shall
23 be reimbursed in the amount of the original expenditure and
24 any amount in excess thereof shall be deposited in the
25 General Revenue Fund.

26 (2) Whenever a State mental health facility operated by

1 the Department of Human Services is closed and the real
2 estate on which the facility is located is sold by the
3 State, the net proceeds of the sale of the real estate
4 shall be deposited into the Community Mental Health
5 Medicaid Trust Fund.

6 (3) Whenever a State developmental disabilities
7 facility operated by the Department of Human Services is
8 closed and the real estate on which the facility is located
9 is sold by the State, the net proceeds of the sale of the
10 real estate shall be deposited into the Community
11 Developmental Disability Services Medicaid Trust Fund.

12 (4) Any net proceeds from the sale of the James R.
13 Thompson Center shall be deposited into the General Revenue
14 Fund.

15 The Administrator shall have authority to order such
16 surveys, abstracts of title, or commitments for title insurance
17 as may, in his reasonable discretion, be deemed necessary to
18 demonstrate to prospective purchasers or bidders good and
19 marketable title in any property offered for sale pursuant to
20 this Section. Unless otherwise specifically authorized by the
21 General Assembly, all conveyances of property made by the
22 Administrator shall be by quit claim deed.

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

1 (Source: P.A. 96-527, eff. 1-1-10; 96-660, eff. 8-25-09;
2 96-1000, eff. 7-2-10.)