



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

HB4928

by Rep. Tony McCombie

#### SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.886 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.

LRB100 16661 HLH 31799 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 5.886 and 6z-65.1 as follows:

6 (30 ILCS 105/5.886 new)

7 Sec. 5.886. 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.)