



## 98TH GENERAL ASSEMBLY

### State of Illinois

### 2013 and 2014

### HB6272

by Rep. Rich Brauer

#### SYNOPSIS AS INTRODUCED:

30 ILCS 605/7.1

from Ch. 127, par. 133b10.1

35 ILCS 200/15-60

Amends the State Property Control Act. Provides that (i) if an agency conveys surplus real property to the State by quitclaim deed and (ii) if that surplus real property remains titled to the State and remains subject to the jurisdiction of the Administrator 15 years after the execution of that quitclaim deed, then the Administrator shall convey the surplus real property by quitclaim deed to the municipality in which the property is located or, if the property is located in an unincorporated area of a county, to the county. Amends the Property Tax Code. Provides that surplus property that is conveyed to a county or municipality in that manner is not exempt from taxation in any taxable year in which the municipality or county owns the property. Effective immediately.

LRB098 21484 HLH 60000 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

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, unoccupied or unused and which  
13 has 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  
22 the State under the control of the responsible officer.

23 (2) A description of the use of the real property

1 listed under (1).

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

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

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

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

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

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

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

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

1 surplus real property for sale to the public the Administrator  
2 shall give notice in writing of the existence and fair market  
3 value of the surplus real property to the governing bodies of  
4 the county and of all cities, villages and incorporated towns  
5 in the county in which such real property is located. Any such  
6 governing body may exercise its option to acquire the surplus  
7 real property for the fair market value within 60 days of the  
8 notice. After the 60 day period has passed, the Administrator  
9 may sell the surplus real property by public auction following  
10 notice of such sale by publication on 3 separate days not less  
11 than 15 nor more than 30 days prior to the sale in the State  
12 newspaper and in a newspaper having general circulation in the  
13 county in which the surplus real property is located. The  
14 Administrator shall post "For Sale" signs of a conspicuous  
15 nature on such surplus real property offered for sale to the  
16 public. If no acceptable offers for the surplus real property  
17 are received, the Administrator may have new appraisals of such  
18 property made. The Administrator shall have all power necessary  
19 to convey surplus real property under this Section. All moneys  
20 received for the sale of surplus real property shall be  
21 deposited in the General Revenue Fund, except that:

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

1 General Revenue Fund.

2 (2) Whenever a State mental health facility operated by  
3 the Department of Human Services is closed and the real  
4 estate on which the facility is located is sold by the  
5 State, the net proceeds of the sale of the real estate  
6 shall be deposited into the Community Mental Health  
7 Medicaid Trust Fund.

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

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

22 (d-5) Notwithstanding subsection (d) of this Section or any  
23 other provision of law, if, 15 years after the execution of a  
24 quitclaim deed under 44 Ill. Adm. Code 5000.760(a), the surplus  
25 real property transferred remains titled to the State of  
26 Illinois and remains subject to the jurisdiction of the

1 Administrator under this Act, then the Administrator shall  
2 convey the surplus real property by quitclaim deed as follows:  
3 if the surplus real property is located within the corporate  
4 limits of a municipality, then it shall be conveyed to that  
5 municipality; if the surplus real property is located in an  
6 unincorporated area of a county, then it shall be conveyed to  
7 the county in which it is located. The municipality or county  
8 receiving the surplus real property under this subsection (d-5)  
9 shall receive title to the surplus real property in fee simple  
10 absolute and may use or dispose of all or a portion of the  
11 surplus real property in such manner as the corporate  
12 authorities of the municipality or county may, by resolution,  
13 determine.

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

18 (Source: P.A. 96-527, eff. 1-1-10; 96-660, eff. 8-25-09;  
19 96-1000, eff. 7-2-10.)

20 Section 10. The Property Tax Code is amended by changing  
21 Section 15-60 as follows:

22 (35 ILCS 200/15-60)

23 Sec. 15-60. Taxing district property. All property  
24 belonging to any county or municipality used exclusively for

1 the maintenance of the poor is exempt, as is all property owned  
2 by a taxing district that is being held for future expansion or  
3 development, except if leased by the taxing district to lessees  
4 for use for other than public purposes.

5 Also exempt are:

6 (a) all swamp or overflowed lands belonging to any  
7 county;

8 (b) all public buildings belonging to any county,  
9 township, or municipality, with the ground on which the  
10 buildings are erected;

11 (c) all property owned by any municipality located  
12 within its incorporated limits. Any such property leased by  
13 a municipality shall remain exempt, and the leasehold  
14 interest of the lessee shall be assessed under Section  
15 9-195 of this Act, (i) for a lease entered into on or after  
16 January 1, 1994, unless the lease expressly provides that  
17 this exemption shall not apply; (ii) for a lease entered  
18 into on or after the effective date of Public Act 87-1280  
19 and before January 1, 1994, unless the lease expressly  
20 provides that this exemption shall not apply or unless  
21 evidence other than the lease itself substantiates the  
22 intent of the parties to the lease that this exemption  
23 shall not apply; and (iii) for a lease entered into before  
24 the effective date of Public Act 87-1280, if the terms of  
25 the lease do not bind the lessee to pay the taxes on the  
26 leased property or if, notwithstanding the terms of the



1 lease, the municipality has filed or hereafter files a  
2 timely exemption petition or complaint with respect to  
3 property consisting of or including the leased property for  
4 an assessment year which includes part or all of the first  
5 12 months of the lease period. The foregoing clause (iii)  
6 added by Public Act 87-1280 shall not operate to exempt  
7 property for any assessment year as to which no timely  
8 exemption petition or complaint has been filed by the  
9 municipality or as to which an administrative or court  
10 decision denying exemption has become final and  
11 nonappealable. For each assessment year or portion thereof  
12 that property is made exempt by operation of the foregoing  
13 clause (iii), whether such year or portion is before or  
14 after the effective date of Public Act 87-1280, the  
15 leasehold interest of the lessee shall, if necessary, be  
16 considered omitted property for purposes of this Act;

17 (c-5) Notwithstanding clause (i) of subsection (c),  
18 all property owned by a municipality with a population of  
19 over 500,000 that is used for toll road or toll bridge  
20 purposes and that is leased for those purposes to another  
21 entity whose property is not exempt shall remain exempt,  
22 and any leasehold interest in the property shall not be  
23 subject to taxation under Section 9-195 of this Act;

24 (d) all property owned by any municipality located  
25 outside its incorporated limits but within the same county  
26 when used as a tuberculosis sanitarium, farm colony in

1 connection with a house of correction, or nursery, garden,  
2 or farm, or for the growing of shrubs, trees, flowers,  
3 vegetables, and plants for use in beautifying,  
4 maintaining, and operating playgrounds, parks, parkways,  
5 public grounds, buildings, and institutions owned or  
6 controlled by the municipality;

7 (e) all property owned by a township and operated as  
8 senior citizen housing under Sections 35-50 through  
9 35-50.6 of the Township Code; and

10 (f) all property owned by the Executive Board of the  
11 Mutual Aid Box Alarm System (MABAS), a unit of  
12 intergovernmental cooperation, that is used for the public  
13 purpose of disaster preparedness and response for units of  
14 local government and the State of Illinois pursuant to  
15 Section 10 of Article VII of the Illinois Constitution and  
16 the Intergovernmental Cooperation Act.

17 All property owned by any municipality outside of its  
18 corporate limits is exempt if used exclusively for municipal or  
19 public purposes.

20 Notwithstanding this Section or any other provision of law,  
21 if real property is conveyed to a municipality or a county  
22 under subsection (d-5) of Section 7.1 of the State Property  
23 Control Act, then that property is not entitled to an exemption  
24 under this Section or any other Section of this Code in any  
25 taxable year in which the municipality or county owns the  
26 property.

1           For purposes of this Section, "municipality" means a  
2           municipality, as defined in Section 1-1-2 of the Illinois  
3           Municipal Code.

4           (Source: P.A. 98-206, eff. 1-1-14.)

5           Section 99. Effective date. This Act takes effect upon  
6           becoming law.