



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB5722

by Rep. Sonya M. Harper

SYNOPSIS AS INTRODUCED:

30 ILCS 605/7

from Ch. 127, par. 133b10

35 ILCS 200/15-55

Amends the State Property Control Act. Provides that an agency covered by the Act may dispose of unneeded property, including real property, by sale or lease to any duly incorporated non-profit organization or association for the cultivation and sale of fresh fruits and vegetables on a tract of land of less than 5 acres within any local governmental unit, provided that the non-profit organization or association is not controlled, directly or indirectly, by any agricultural, commercial, or other business. Amends the Property Tax Code to provide a property tax exemption for non-profit organizations using land for the cultivation and sale of fresh fruits and vegetables.

LRB100 20219 RJF 35504 b

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 as follows:

6 (30 ILCS 605/7) (from Ch. 127, par. 133b10)

7 Sec. 7. Disposition of transferable property.

8 (a) Except as provided in subsections ~~subsection~~ (c) and
9 (d), whenever a responsible officer considers it advantageous
10 to the State to dispose of transferable property by trading it
11 in for credit on a replacement of like nature, the responsible
12 officer shall report the trade-in and replacement to the
13 administrator on forms furnished by the latter. The exchange,
14 trade or transfer of "textbooks" as defined in Section 18-17 of
15 the School Code between schools or school districts pursuant to
16 regulations adopted by the State Board of Education under that
17 Section shall not constitute a disposition of transferable
18 property within the meaning of this Section, even though such
19 exchange, trade or transfer occurs within 5 years after the
20 textbooks are first provided for loan pursuant to Section 18-17
21 of the School Code.

22 (b) Except as provided in subsections ~~subsection~~ (c) and
23 (d), whenever it is deemed necessary to dispose of any item of

1 transferable property, the administrator shall proceed to
2 dispose of the property by sale or scrapping as the case may
3 be, in whatever manner he considers most advantageous and most
4 profitable to the State. Items of transferable property which
5 would ordinarily be scrapped and disposed of by burning or by
6 burial in a landfill may be examined and a determination made
7 whether the property should be recycled. This determination and
8 any sale of recyclable property shall be in accordance with
9 rules promulgated by the Administrator.

10 When the administrator determines that property is to be
11 disposed of by sale, he shall offer it first to the
12 municipalities, counties, and school districts of the State and
13 to charitable, not-for-profit educational and public health
14 organizations, including but not limited to medical
15 institutions, clinics, hospitals, health centers, schools,
16 colleges, universities, child care centers, museums, nursing
17 homes, programs for the elderly, food banks, State Use
18 Sheltered Workshops and the Boy and Girl Scouts of America, for
19 purchase at an appraised value. Notice of inspection or viewing
20 dates and property lists shall be distributed in the manner
21 provided in rules and regulations promulgated by the
22 Administrator for that purpose.

23 Electronic data processing equipment purchased and charged
24 to appropriations may, at the discretion of the administrator,
25 be sold, pursuant to contracts entered into by the Director of
26 Central Management Services or the heads of agencies exempt

1 from "The Illinois Purchasing Act". However such equipment
2 shall not be sold at prices less than the purchase cost thereof
3 or depreciated value as determined by the administrator. No
4 sale of the electronic data processing equipment and lease to
5 the State by the purchaser of such equipment shall be made
6 under this Act unless the Director of Central Management
7 Services finds that such contracts are financially
8 advantageous to the State.

9 Disposition of other transferable property by sale, except
10 sales directly to local governmental units, school districts,
11 and not-for-profit educational, charitable and public health
12 organizations, shall be subject to the following minimum
13 conditions:

14 (1) The administrator shall cause the property to be
15 advertised for sale to the highest responsible bidder,
16 stating time, place, and terms of such sale at least 7 days
17 prior to the time of sale and at least once in a newspaper
18 having a general circulation in the county where the
19 property is to be sold.

20 (2) If no acceptable bids are received, the
21 administrator may then sell the property in whatever manner
22 he considers most advantageous and most profitable to the
23 State.

24 (c) Notwithstanding any other provision of this Act, an
25 agency covered by this Act may transfer books, serial
26 publications, or other library materials that are transferable

1 property, or that have been withdrawn from the agency's library
2 collection through a regular collection evaluation process, to
3 any of the following entities:

4 (1) Another agency covered by this Act located in
5 Illinois.

6 (2) A State supported university library located in
7 Illinois.

8 (3) A tax-supported public library located in
9 Illinois, including a library established by a public
10 library district.

11 (4) A library system organized under the Illinois
12 Library System Act or any library located in Illinois that
13 is a member of such a system.

14 (5) A non-profit agency, located in or outside
15 Illinois.

16 A transfer of property under this subsection is not subject
17 to the requirements of subsection (a) or (b).

18 In addition, an agency covered by this Act may sell or
19 exchange books, serial publications, and other library
20 materials that have been withdrawn from its library collection
21 through a regular collection evaluation process. Those items
22 may be sold to the public at library book sales or to book
23 dealers or may be offered through exchange to book dealers or
24 other organizations. Revenues generated from the sale of
25 withdrawn items shall be retained by the agency in a separate
26 account to be used solely for the purchase of library

1 materials; except that in the case of the State Library,
2 revenues from the sale of withdrawn items shall be deposited
3 into the State Library Fund to be used for the purposes stated
4 in Section 25 of the State Library Act.

5 For purposes of this subsection (c), "library materials"
6 means physical entities of any substance that serve as carriers
7 of information, including, without limitation, books, serial
8 publications, periodicals, microforms, graphics, audio or
9 video recordings, and machine readable data files.

10 (d) Notwithstanding any other provision of this Act, an
11 agency covered by this Act may dispose of unneeded property,
12 including real property, by sale or lease to any duly
13 incorporated non-profit organization or association for the
14 cultivation and sale of fresh fruits and vegetables on a tract
15 of land of less than 5 acres within any local governmental
16 unit, provided that the non-profit organization or association
17 is not controlled, directly or indirectly, by any agricultural,
18 commercial, or other business. The non-profit organization or
19 association under this subsection (d) shall be authorized to
20 sell fresh fruits and vegetables either on the land that was
21 conveyed, off that land, or both, provided, that the sales are
22 related or incidental to the non-profit purposes of the
23 organization or association, and the net proceeds received by
24 the non-profit organization or association are used to further
25 the non-profit purposes of the organization or association.

26 A transfer of property under this subsection (d) is not

1 subject to the requirements of subsection (a) or (b).

2 (Source: P.A. 96-498, eff. 8-14-09.)

3 Section 10. The Property Tax Code is amended by changing
4 Section 15-55 as follows:

5 (35 ILCS 200/15-55)

6 Sec. 15-55. State property.

7 (a) All property belonging to the State of Illinois is
8 exempt. However, the State agency holding title shall file the
9 certificate of ownership and use required by Section 15-10,
10 together with a copy of any written lease or agreement, in
11 effect on March 30 of the assessment year, concerning parcels
12 of 1 acre or more, or an explanation of the terms of any oral
13 agreement under which the property is leased, subleased or
14 rented.

15 The leased property shall be assessed to the lessee and the
16 taxes thereon extended and billed to the lessee, and collected
17 in the same manner as for property which is not exempt. The
18 lessee shall be liable for the taxes and no lien shall attach
19 to the property of the State.

20 For the purposes of this Section, the word "leases"
21 includes licenses, franchises, operating agreements and other
22 arrangements under which private individuals, associations or
23 corporations are granted the right to use property of the
24 Illinois State Toll Highway Authority and includes all property

1 of the Authority used by others without regard to the size of
2 the leased parcel.

3 (b) However, all property of every kind belonging to the
4 State of Illinois, which is or may hereafter be leased to the
5 Illinois Prairie Path Corporation, shall be exempt from all
6 assessments, taxation or collection, despite the making of any
7 such lease, if it is used for:

8 (1) conservation, nature trail or any other
9 charitable, scientific, educational or recreational
10 purposes with public benefit, including the preserving and
11 aiding in the preservation of natural areas, objects,
12 flora, fauna or biotic communities;

13 (2) the establishment of footpaths, trails and other
14 protected areas;

15 (3) the conservation of the proper use of natural
16 resources or the promotion of the study of plant and animal
17 communities and of other phases of ecology, natural history
18 and conservation;

19 (4) the promotion of education in the fields of nature,
20 preservation and conservation; or

21 (5) similar public recreational activities conducted
22 by the Illinois Prairie Path Corporation.

23 No lien shall attach to the property of the State. No tax
24 liability shall become the obligation of or be enforceable
25 against Illinois Prairie Path Corporation.

26 (b-5) However, all property of every kind belonging to the

1 State of Illinois, which is or may be sold or leased to a
2 non-profit organization specified under subsection (d) of
3 Section 7 of the State Property Control Act, shall be exempt
4 from all assessments, taxation, or collection, despite the
5 making of any such sale or lease, if it is used for the
6 cultivation and sale of fresh fruits and vegetables, and the
7 net proceeds received by the non-profit organization or
8 association are used to further the non-profit purposes of the
9 organization or association.

10 (c) If the State sells the James R. Thompson Center or the
11 Elgin Mental Health Center and surrounding land located at 750
12 S. State Street, Elgin, Illinois, as provided in subdivision
13 (a)(2) of Section 7.4 of the State Property Control Act, to
14 another entity whose property is not exempt and immediately
15 thereafter enters into a leaseback or other agreement that
16 directly or indirectly gives the State a right to use, control,
17 and possess the property, that portion of the property leased
18 and occupied exclusively by the State shall remain exempt under
19 this Section. For the property to remain exempt under this
20 subsection (c), the State must retain an option to purchase the
21 property at a future date or, within the limitations period for
22 reverters, the property must revert back to the State.

23 If the property has been conveyed as described in this
24 subsection (c), the property is no longer exempt pursuant to
25 this Section as of the date when:

26 (1) the right of the State to use, control, and possess

1 the property has been terminated; or

2 (2) the State no longer has an option to purchase or
3 otherwise acquire the property and there is no provision
4 for a reverter of the property to the State within the
5 limitations period for reverters.

6 Pursuant to Sections 15-15 and 15-20 of this Code, the
7 State shall notify the chief county assessment officer of any
8 transaction under this subsection (c). The chief county
9 assessment officer shall determine initial and continuing
10 compliance with the requirements of this Section for tax
11 exemption. Failure to notify the chief county assessment
12 officer of a transaction under this subsection (c) or to
13 otherwise comply with the requirements of Sections 15-15 and
14 15-20 of this Code shall, in the discretion of the chief county
15 assessment officer, constitute cause to terminate the
16 exemption, notwithstanding any other provision of this Code.

17 (c-1) If the Illinois State Toll Highway Authority sells
18 the Illinois State Toll Highway Authority headquarters
19 building and surrounding land, located at 2700 Ogden Avenue,
20 Downers Grove, Illinois as provided in subdivision (a)(2) of
21 Section 7.5 of the State Property Control Act, to another
22 entity whose property is not exempt and immediately thereafter
23 enters into a leaseback or other agreement that directly or
24 indirectly gives the State or the Illinois State Toll Highway
25 Authority a right to use, control, and possess the property,
26 that portion of the property leased and occupied exclusively by

1 the State or the Authority shall remain exempt under this
2 Section. For the property to remain exempt under this
3 subsection (c), the Authority must retain an option to purchase
4 the property at a future date or, within the limitations period
5 for reverters, the property must revert back to the Authority.

6 If the property has been conveyed as described in this
7 subsection (c), the property is no longer exempt pursuant to
8 this Section as of the date when:

9 (1) the right of the State or the Authority to use,
10 control, and possess the property has been terminated; or

11 (2) the Authority no longer has an option to purchase
12 or otherwise acquire the property and there is no provision
13 for a reverter of the property to the Authority within the
14 limitations period for reverters.

15 Pursuant to Sections 15-15 and 15-20 of this Code, the
16 Authority shall notify the chief county assessment officer of
17 any transaction under this subsection (c). The chief county
18 assessment officer shall determine initial and continuing
19 compliance with the requirements of this Section for tax
20 exemption. Failure to notify the chief county assessment
21 officer of a transaction under this subsection (c) or to
22 otherwise comply with the requirements of Sections 15-15 and
23 15-20 of this Code shall, in the discretion of the chief county
24 assessment officer, constitute cause to terminate the
25 exemption, notwithstanding any other provision of this Code.

26 (d) The fair market rent of each parcel of real property in

1 Will County owned by the State of Illinois for the purpose of
2 developing an airport by the Department of Transportation shall
3 include the assessed value of leasehold tax. The lessee of each
4 parcel of real property in Will County owned by the State of
5 Illinois for the purpose of developing an airport by the
6 Department of Transportation shall not be liable for the taxes
7 thereon. In order for the State to compensate taxing districts
8 for the leasehold tax under this paragraph the Will County
9 Supervisor of Assessments shall certify, in writing, to the
10 Department of Transportation, the amount of leasehold taxes
11 extended for the 2002 property tax year for each such exempt
12 parcel. The Department of Transportation shall pay to the Will
13 County Treasurer, from the Tax Recovery Fund, on or before July
14 1 of each year, the amount of leasehold taxes for each such
15 exempt parcel as certified by the Will County Supervisor of
16 Assessments. The tax compensation shall terminate on December
17 31, 2020. It is the duty of the Department of Transportation to
18 file with the Office of the Will County Supervisor of
19 Assessments an affidavit stating the termination date for
20 rental of each such parcel due to airport construction. The
21 affidavit shall include the property identification number for
22 each such parcel. In no instance shall tax compensation for
23 property owned by the State be deemed delinquent or bear
24 interest. In no instance shall a lien attach to the property of
25 the State. In no instance shall the State be required to pay
26 leasehold tax compensation in excess of the Tax Recovery Fund's

1 balance.

2 (e) Public Act 81-1026 applies to all leases or agreements
3 entered into or renewed on or after September 24, 1979.

4 (f) Notwithstanding anything to the contrary in this Code,
5 all property owned by the State that is the Illiana Expressway,
6 as defined in the Public Private Agreements for the Illiana
7 Expressway Act, and that is used for transportation purposes
8 and that is leased for those purposes to another entity whose
9 property is not exempt shall remain exempt, and any leasehold
10 interest in the property shall not be subject to taxation under
11 Section 9-195 of this Act.

12 (g) Notwithstanding anything to the contrary in this
13 Section, all property owned by the State or the Illinois State
14 Toll Highway Authority that is defined as a transportation
15 project under the Public-Private Partnerships for
16 Transportation Act and that is used for transportation purposes
17 and that is leased for those purposes to another entity whose
18 property is not exempt shall remain exempt, and any leasehold
19 interest in the property shall not be subject to taxation under
20 Section 9-195 of this Act.

21 (h) Notwithstanding anything to the contrary in this Code,
22 all property owned by the State that is the South Suburban
23 Airport, as defined in the Public-Private Agreements for the
24 South Suburban Airport Act, and that is used for airport
25 purposes and that is leased for those purposes to another
26 entity whose property is not exempt shall remain exempt, and

1 any leasehold interest in the property shall not be subject to
2 taxation under Section 9-195 of this Act.

3 (Source: P.A. 97-502, eff. 8-23-11; 98-109, eff. 7-25-13.)