

**100TH GENERAL ASSEMBLY****State of Illinois****2017 and 2018****SB0968**

Introduced 2/7/2017, by Sen. William E. Brady

SYNOPSIS AS INTRODUCED:

30 ILCS 605/7.1

from Ch. 127, par. 133b10.1

Amends the State Property Control Act. Makes changes to the definition of "surplus real property". Provides that the Administrator shall obtain 2 (rather than 3) appraisals of the value of certain real property, and shall only obtain a third appraisal if the first 2 appraisals differ by more than 15%. Provides that appraisals shall include any known liabilities, including, but not limited to, environmental costs. Changes Allows real property to conveyed for less than the fair market value if the Administrator makes a written determination that the conveyance is in the best interests of the State. Allows the Executive Ethics Commission to review the determination. Makes changes to the acquisition of surplus real property by other State agencies. Reduces the notice period to State agencies and local governments of the existence of surplus real property from 60 days to a notice period of at least 14 days. Allows the Administrator to engage in negotiations to allow other State agencies and local governments to acquire surplus real property. Allows the Administrator to use electronic auction or sealed bids for the disposal of surplus real property.

LRB100 04374 MLM 14380 b

FISCAL NOTE ACT
MAY APPLY**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 determined by the head of the State
13 agency to no longer be required for the State agency's needs
14 and responsibilities ~~vacant, unoccupied or unused and which has~~
15 ~~no foreseeable use by the owning agency.~~

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

23 (1) A legal description of all real property owned by the

1 State under the control of the responsible officer.

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

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

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

9 (5) Plans for the future use of currently unused real
10 property.

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

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

22 (c) Following receipt of the Annual Real Property
23 Utilization Report required under paragraph (b), the
24 Administrator shall notify all State agencies by October 31 of
25 all declared surplus real property. ~~Any State agency may submit~~
26 ~~a written request to the Administrator, within 60 days of the~~

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

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

1 ~~obtaining the appraisals,~~ shall represent the fair market value
2 of the surplus real property. However, if the 2 appraisals
3 differ by more than 15%, then the Administrator shall obtain a
4 third appraisal, and the fair market value shall be the average
5 of these 3 appraisals.

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

1 the Administrator. Circumstances in which it is in the best
2 interest of the State to establish a different value may
3 include, but are not limited to, the following: an auction did
4 not yield any bids at the established fair market value; a unit
5 of local government is interested in acquiring the surplus real
6 property; or the costs to the State of maintaining such surplus
7 real property are sufficiently high that it would be reasonable
8 to a prudent person to sell such surplus real property for less
9 than the fair market value established by the average of the
10 appraisals.

11 Prior to offering the surplus real property for sale to the
12 public the Administrator shall give notice in writing of the
13 existence ~~and fair market value~~ of the surplus real property to
14 each State agency and to the governing bodies of the county and
15 of all cities, villages and incorporated towns in the county in
16 which such real property is located. Any such State agency or
17 governing body may notify the Administrator of its interest in
18 acquiring ~~exercise its option to acquire~~ the surplus real
19 property ~~for the fair market value~~ within the notice period set
20 by the Administrator of at least 14 days ~~60 days of the notice.~~
21 If any State agency notifies the Administrator of its interest
22 in acquiring the surplus property, the Administrator may deny
23 any such requests by such agency if the Administrator
24 determines that it is more advantageous to the State to dispose
25 of the surplus real property to a governing body or the public.
26 If a governing body notifies the Administrator of its interest

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

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

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

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

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

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

25 (Source: P.A. 96-527, eff. 1-1-10; 96-660, eff. 8-25-09;
26 96-1000, eff. 7-2-10.)