



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB0277

Introduced 1/29/2021, by Rep. Sonya M. Harper

SYNOPSIS AS INTRODUCED:

30 ILCS 605/7.1

from Ch. 127, par. 133b10.1

35 ILCS 200/15-55

Amends the State Property Control Act. Provides that the Director of Central Management Services as Administrator may convey any surplus real property covered by the State Property Control Act, by sale or lease, to a duly incorporated, charitable, 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 unit of local government, provided that the non-profit organization or association is not controlled, directly or indirectly, by any agricultural, commercial, or other business. Provides that the non-profit organization or association shall be authorized to sell fresh fruits and vegetables either on the land that was conveyed, off that land, or both, provided, that the sales are related or incidental to the non-profit purposes of the organization or association, and the net proceeds received by the non-profit organization or association are used to further the non-profit purposes of the organization or association. Provides that the lease of any real property to any duly incorporated non-profit organization or association shall be in accordance with the Illinois Procurement Code. 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.

LRB102 10043 RJF 15363 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 7.1 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 the
22 State under the control of the responsible officer.

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

1 under (1).

2 (3) A list of any improvements made to such real property
3 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 furnish
11 copies of each responsible officer's report along with a list
12 of surplus property indexed by legislative district to the
13 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
24 submit a written request to the Administrator, within 60 days
25 of the date of such notification, to have control of surplus
26 real property transferred to that agency. Such request must

1 indicate the reason for the transfer and the intended use to be
2 made of such surplus real property. The Administrator may deny
3 any or 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
12 program.

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

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

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

1 expenditure and any amount in excess thereof shall be
2 deposited in the General Revenue Fund.

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

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

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

24 (d-5) Notwithstanding any other provision of this Act, the
25 Administrator may convey any surplus real property covered by
26 this Act, by sale or lease, to a duly incorporated,

1 charitable, non-profit organization or association for the
2 cultivation and sale of fresh fruits and vegetables on a tract
3 of land of less than 5 acres within any unit of local
4 government, provided that the non-profit organization or
5 association is not controlled, directly or indirectly, by any
6 agricultural, commercial, or other business. The non-profit
7 organization or association under this subsection (d-5) shall
8 be authorized to sell fresh fruits and vegetables either on
9 the land that was conveyed, off that land, or both, provided,
10 that the sales are related or incidental to the non-profit
11 purposes of the organization or association, and the net
12 proceeds received by the non-profit organization or
13 association are used to further the non-profit purposes of the
14 organization or association. The lease of any real property to
15 any duly incorporated non-profit organization or association
16 shall be in accordance with the Illinois Procurement Code.

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

21 (Source: P.A. 96-527, eff. 1-1-10; 96-660, eff. 8-25-09;
22 96-1000, eff. 7-2-10.)

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

1 (35 ILCS 200/15-55)

2 Sec. 15-55. State property.

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

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

16 For the purposes of this Section, the word "leases"
17 includes licenses, franchises, operating agreements and other
18 arrangements under which private individuals, associations or
19 corporations are granted the right to use property of the
20 Illinois State Toll Highway Authority and includes all
21 property of the Authority used by others without regard to the
22 size of the leased parcel.

23 (b) However, all property of every kind belonging to the
24 State of Illinois, which is or may hereafter be leased to the
25 Illinois Prairie Path Corporation, shall be exempt from all
26 assessments, taxation or collection, despite the making of any

1 such lease, if it is used for:

2 (1) conservation, nature trail or any other
3 charitable, scientific, educational or recreational
4 purposes with public benefit, including the preserving and
5 aiding in the preservation of natural areas, objects,
6 flora, fauna or biotic communities;

7 (2) the establishment of footpaths, trails and other
8 protected areas;

9 (3) the conservation of the proper use of natural
10 resources or the promotion of the study of plant and
11 animal communities and of other phases of ecology, natural
12 history and conservation;

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

15 (5) similar public recreational activities conducted
16 by the Illinois Prairie Path Corporation.

17 No lien shall attach to the property of the State. No tax
18 liability shall become the obligation of or be enforceable
19 against Illinois Prairie Path Corporation.

20 (b-5) However, all property of every kind belonging to the
21 State of Illinois, which is or may be sold or leased to a
22 non-profit organization specified under subsection (d-5) of
23 Section 7.1 of the State Property Control Act, shall be exempt
24 from all assessments, taxation, or collection, despite the
25 making of any such sale or lease, if it is used for the
26 cultivation and sale of fresh fruits and vegetables, and the

1 net proceeds received by the non-profit organization or
2 association are used to further the non-profit purposes of the
3 organization or association.

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

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

21 (1) the right of the State to use, control, and
22 possess the property has been terminated; or

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

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

12 (c-1) If the Illinois State Toll Highway Authority sells
13 the Illinois State Toll Highway Authority headquarters
14 building and surrounding land, located at 2700 Ogden Avenue,
15 Downers Grove, Illinois as provided in subdivision (a)(2) of
16 Section 7.5 of the State Property Control Act, to another
17 entity whose property is not exempt and immediately thereafter
18 enters into a leaseback or other agreement that directly or
19 indirectly gives the State or the Illinois State Toll Highway
20 Authority a right to use, control, and possess the property,
21 that portion of the property leased and occupied exclusively
22 by the State or the Authority shall remain exempt under this
23 Section. For the property to remain exempt under this
24 subsection (c), the Authority must retain an option to
25 purchase the property at a future date or, within the
26 limitations period for reverters, the property must revert

1 back to the Authority.

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

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

7 (2) the Authority no longer has an option to purchase
8 or otherwise acquire the property and there is no
9 provision for a reverter of the property to the Authority
10 within the limitations period for reverters.

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

22 (d) For tax years prior to 2019, the fair market rent of
23 each parcel of real property in Will County owned by the State
24 of Illinois for the purpose of developing an airport by the
25 Department of Transportation shall include the assessed value
26 of leasehold tax. The lessee 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
3 shall not be liable for the taxes thereon. In order for the
4 State to compensate taxing districts for the loss of revenue
5 under this paragraph, the Will County Supervisor of
6 Assessments shall annually certify, in writing, to the
7 Department of Transportation, the following amounts: (1) for
8 tax years prior to 2019, the amount of leasehold taxes
9 extended for the 2002 property tax year for each such exempt
10 parcel; and (2) for tax years 2019 through 2030, the amount of
11 taxes that would have been extended for the current tax year
12 for each such exempt parcel if those parcels had been owned by
13 a person whose property is not exempt. The Department of
14 Transportation shall pay to the Will County Treasurer, from
15 the Tax Recovery Fund, on or before July 1 of each year, the
16 amount certified by the Will County Supervisor of Assessments.
17 The tax compensation shall terminate on December 31, 2030. It
18 is the duty of the Department of Transportation to file with
19 the Office of the Will County Supervisor of Assessments an
20 affidavit stating the termination date for rental of each such
21 parcel due to airport construction. The affidavit shall
22 include the property identification number for each such
23 parcel. In no instance shall tax compensation for property
24 owned by the State be deemed delinquent or bear interest. In no
25 instance shall a lien attach to the property of the State. In
26 no instance shall the State be required to pay compensation

1 under this subsection in excess of the lesser of (i) the Tax
2 Recovery Fund's balance or (ii) \$600,000 in any tax year.

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

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

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

22 (h) Notwithstanding anything to the contrary in this Code,
23 all property owned by the State that is the South Suburban
24 Airport, as defined in the Public-Private Agreements for the
25 South Suburban Airport Act, and that is used for airport
26 purposes and that is leased for those purposes to another

1 entity whose property is not exempt shall remain exempt, and
2 any leasehold interest in the property shall not be subject to
3 taxation under Section 9-195 of this Act.

4 (Source: P.A. 101-532, eff. 8-23-19.)