



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

SB0060

Introduced 1/29/2021, by Sen. John Connor

#### SYNOPSIS AS INTRODUCED:

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 vacant and determined by the head of the owning agency to no longer be required for the State agency's needs and responsibilities and has no foreseeable use by the owning agency (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. Makes other changes concerning the sale and acquisition of surplus real property. Effective immediately.

LRB102 02809 RJF 12817 b

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 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 and determined by the head of  
13 the owning agency to no longer be required for the State  
14 agency's needs and responsibilities and has no foreseeable use  
15 by the owning agency. Title to the surplus real property may  
16 remain with the owning agency throughout the disposition  
17 process if approved by the Administrator; however, the  
18 Administrator and the Department of Central Management  
19 Services shall have sole responsibility and authority for  
20 disposing of the property as set out in this Section ~~vacant,~~  
21 ~~unoccupied or unused and which has no foreseeable use by the~~  
22 ~~owning agency.~~

23 (b) All responsible officers shall submit an Annual Real

1 Property Utilization Report to the Administrator, or annual  
2 update of such report, on forms required by the Administrator,  
3 by July 31 of each year. The Administrator may require such  
4 documentation as he deems reasonably necessary in connection  
5 with this Report, and shall require that such Report include  
6 the following information:

7 (1) A legal description of all real property owned by the  
8 State under the control of the responsible officer.

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

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

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

16 (5) Plans for the future use of currently unused real  
17 property.

18 (6) A declaration of any surplus real property. On or  
19 before October 31 of each year the Administrator shall furnish  
20 copies of each responsible officer's report along with a list  
21 of surplus property indexed by legislative district to the  
22 General Assembly.

23 This report shall be filed with the Speaker, the Minority  
24 Leader and the Clerk of the House of Representatives and the  
25 President, the Minority Leader and the Secretary of the Senate  
26 and shall be duplicated and made available to the members of

1 the General Assembly for evaluation by such members for  
2 possible liquidation of unused public property at public sale.

3 (c) Following receipt of the Annual Real Property  
4 Utilization Report required under paragraph (b), the  
5 Administrator shall notify all State agencies by October 31 of  
6 all declared surplus real property. ~~Any State agency may~~  
7 ~~submit a written request to the Administrator, within 60 days~~  
8 ~~of the date of such notification, to have control of surplus~~  
9 ~~real property transferred to that agency. Such request must~~  
10 ~~indicate the reason for the transfer and the intended use to be~~  
11 ~~made of such surplus real property. The Administrator may deny~~  
12 ~~any or all such requests by a State agency or agencies if the~~  
13 ~~Administrator determines that it is more advantageous to the~~  
14 ~~State to dispose of the surplus real property under paragraph~~  
15 ~~(d). In case requests for the same surplus real property are~~  
16 ~~received from more than one State agency, the Administrator~~  
17 ~~shall weigh the benefits to the State and determine to which~~  
18 ~~agency, if any, to transfer control of such property. The~~  
19 ~~Administrator shall coordinate the use and disposal of State~~  
20 ~~surplus real property with any State space utilization~~  
21 ~~program.~~

22 (d) Any surplus real property ~~which is not transferred to~~  
23 ~~the control of another State agency under paragraph (c)~~ shall  
24 be disposed of by the Administrator. No appraisal is required  
25 if during his initial survey of surplus real property the  
26 Administrator determines such property has a fair market value

1 of less than \$5,000. If the value of such property is  
2 determined by the Administrator in his initial survey to be  
3 \$5,000 or more, then the Administrator shall obtain 2 ~~3~~  
4 appraisals of such real property, which shall include known  
5 liabilities, including, but not limited to, environmental  
6 costs ~~one of which shall be performed by an appraiser residing~~  
7 ~~in the county in which said surplus real property is located.~~  
8 The average of these 2 ~~3~~ appraisals, ~~plus the costs of~~  
9 ~~obtaining the appraisals,~~ shall represent the fair market  
10 value of the surplus real property.

11 No surplus real property may be conveyed by the  
12 Administrator for less than the fair market value, unless the  
13 Administrator makes a written determination that it is in the  
14 best interests of the State to establish a different value.  
15 That written determination shall be published in the Illinois  
16 Procurement Bulletin. Such written determination, along with  
17 an affidavit setting forth the conditions and circumstances  
18 that make the use of a different value in the best interests of  
19 the State, shall also be filed with the Executive Ethics  
20 Commission. The Executive Ethics Commission shall have 30 days  
21 to review the written determination. The Executive Ethics  
22 Commission may order an additional 30 days to review the  
23 written determination. The Administrator shall provide the  
24 Executive Ethics Commission with any information requested by  
25 the Executive Ethics Commission related to the Administrator's  
26 determination of the value of the surplus real property. If

1 the Executive Ethics Commission objects in writing to the  
2 value determined by the Administrator, then the Administrator  
3 shall not convey the surplus real property for less than  
4 either the fair market value as determined by the average of  
5 appraisals or an amount agreed upon by the Executive Ethics  
6 Commission and the Administrator. Circumstances in which it is  
7 in the best interests of the State to establish a different  
8 value may include, but are not limited to, the following: (i)  
9 an auction did not yield any bids at the established fair  
10 market value; (ii) a unit of local government is interested in  
11 acquiring the surplus real property; or (iii) the costs to the  
12 State of maintaining such surplus real property are  
13 sufficiently high that it would be reasonable to a prudent  
14 person to sell such surplus real property for less than the  
15 fair market value established by the average of the  
16 appraisals.

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

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

1           (1) Where moneys expended for the acquisition of such  
2           real property were from a special fund which is still a  
3           special fund in the State treasury, this special fund  
4           shall be reimbursed in the amount of the original  
5           expenditure and any amount in excess thereof shall be  
6           deposited in the General Revenue Fund.

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

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

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



1 deed.

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

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

8 Section 99. Effective date. This Act takes effect upon  
9 becoming law.