



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB1719

Introduced 2/26/2021, by Sen. Steve Stadelman

SYNOPSIS AS INTRODUCED:

30 ILCS 605/7.1

from Ch. 127, par. 133b10.1

Amends the State Property Control Act. Modifies the definition of the term "surplus real property". Provides that title to surplus real property may, if approved by the Director of Central Management Services as Administrator, remain with the owning agency throughout the disposition process; however, the Administrator and the Department of Central Management Services have sole responsibility and authority for disposing of the property. Requires the Administrator to obtain 2 (currently, 3) appraisals of surplus real property if the value of the property is determined in the initial survey to be \$5,000 or more. Provides that no surplus real property may be conveyed by the Administrator for less than the fair market value, unless the Administrator makes a written determination that it is in the best interests of the State to establish a different value. Provides further requirements concerning the Administrator's written determination. Provides that prior to offering the surplus real property for sale to the public, the Administrator shall give notice in writing of the surplus real property to each State agency and to the governing bodies of the county and of all cities, villages, and incorporated towns in the county in which the real property is located. Provides further requirements concerning a State agency's or governing body's interest in acquiring surplus real property. Makes other changes. Effective immediately.

LRB102 16260 RJF 21642 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 owning
13 agency to no longer be required for the State agency's needs
14 and responsibilities. Title to the surplus real property may,
15 if approved by the Administrator, remain with the owning
16 agency throughout the disposition process; however, the
17 Administrator and the Department of Central Management
18 Services have sole responsibility and authority for disposing
19 of the property as set forth in this Section ~~vacant,~~
20 ~~unoccupied or unused and which has no foreseeable use by the~~
21 ~~owning agency.~~

22 (b) All responsible officers shall submit an Annual Real
23 Property Utilization Report to the Administrator, or annual

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

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

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

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

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

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

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

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

1 possible liquidation of unused public property at public sale.

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

21 (d) Any surplus real property ~~which is not transferred to~~
22 ~~the control of another State agency under paragraph (c)~~ shall
23 be disposed of by the Administrator. No appraisal is required
24 if during his initial survey of surplus real property the
25 Administrator determines such property has a fair market value
26 of less than \$5,000. If the value of such property is

1 determined by the Administrator in his initial survey to be
2 \$5,000 or more, then the Administrator shall obtain 2 ~~3~~
3 appraisals of such real property, ~~one of which shall be~~
4 ~~performed by an appraiser residing in the county in which said~~
5 ~~surplus real property is located.~~ The average of these 2 ~~3~~
6 appraisals, ~~plus the costs of obtaining the appraisals,~~ shall
7 represent the fair market value of the surplus real property.

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

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

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

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

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

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

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

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

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

25 (e) The Administrator shall submit an annual report on or
26 before February 1 to the Governor and the General Assembly

1 containing a detailed statement of surplus real property
2 either transferred or conveyed under this Section.

3 (Source: P.A. 96-527, eff. 1-1-10; 96-660, eff. 8-25-09;
4 96-1000, eff. 7-2-10.)

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