

SB3829



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB3829

Introduced 1/21/2022, by Sen. Antonio Muñoz

SYNOPSIS AS INTRODUCED:

30 ILCS 500/40-25

Amends the Illinois Procurement Code. Provides that the Board of Trustees of a public institution of higher education may enter into a lease for real property for a term in excess of 10 years, but not exceeding the useful life of the real property, upon a determination by the Board of Trustees that a lease term in excess of 10 years is necessary and in the best interest of the public institution of higher education. Provides that in connection with the financing or refinancing of any capital improvements, the Board of Trustees of a public institution of higher education may enter into any financing agreement for a term in excess of 10 years, but not exceeding the useful life of the improvements, upon a determination by the Board of Trustees that a term in excess of 10 years is necessary and in the best interest of the public institution of higher education. Removes provisions concerning a lease for real property owned by the University of Illinois to be used for specified purposes.

LRB102 24181 RJF 33409 b

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 Illinois Procurement Code is amended by
5 changing Section 40-25 as follows:

6 (30 ILCS 500/40-25)

7 Sec. 40-25. Length of leases.

8 (a) Maximum term. Except as otherwise provided under
9 subsection (a-5), leases shall be for a term not to exceed 10
10 years inclusive, beginning January, 1, 2010, of proposed
11 contract renewals and shall include a termination option in
12 favor of the State after 5 years. The length of energy
13 conservation program contracts or energy savings contracts or
14 leases shall be in accordance with the provisions of Section
15 25-45.

16 (a-5) Extended term. The Board of Trustees of a public
17 institution of higher education may enter into a lease for
18 real property for a term in excess of 10 years, but not
19 exceeding the useful life of the real property, upon a
20 determination by the Board of Trustees, in its sole and
21 absolute discretion, that a lease term in excess of 10 years is
22 necessary and in the best interest of the public institution
23 of higher education.

1 In connection with the financing or refinancing of any
2 capital improvements, including technology or any other
3 related improvements, the Board of Trustees of a public
4 institution of higher education may enter into any financing
5 agreement, including, but not limited to, a lease or
6 installment purchase agreement, for a term in excess of 10
7 years, but not exceeding the useful life of the improvements,
8 upon a determination by the Board of Trustees, in its sole and
9 absolute discretion, that a term in excess of 10 years is
10 necessary and in the best interest of the public institution
11 of higher education. A lease for real property owned by the
12 University of Illinois to be used by the University of
13 Illinois at Chicago for an ambulatory surgical center, which
14 would include both clinical services and retail space, may
15 exceed 10 years in length where: (i) the lease requires the
16 lessor to make capital improvements in excess of \$100,000; and
17 (ii) the Board of Trustees of the University of Illinois
18 determines a term of more than 10 years is necessary and is in
19 the best interest of the University. A lease under this
20 subsection (a-5) may not exceed 30 years in length.

21 (b) Renewal. Leases may include a renewal option. An
22 option to renew may be exercised only when a State purchasing
23 officer determines in writing that renewal is in the best
24 interest of the State and notice of the exercise of the option
25 is published in the appropriate volume of the Procurement
26 Bulletin at least 30 calendar days prior to the exercise of the

1 option.

2 (c) Subject to appropriation. All leases shall recite that
3 they are subject to termination and cancellation in any year
4 for which the General Assembly fails to make an appropriation
5 to make payments under the terms of the lease.

6 (d) Holdover. Beginning January 1, 2010, no lease may
7 continue on a month-to-month or other holdover basis for a
8 total of more than 6 months. Beginning July 1, 2010, the
9 Comptroller shall withhold payment of leases beyond this
10 holdover period.

11 (Source: P.A. 100-23, eff. 7-6-17; 100-1047, eff. 1-1-19;
12 101-426, eff. 1-1-20.)