



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB4103

Introduced 2/27/2009, by Rep. Ronald A. Wait

SYNOPSIS AS INTRODUCED:

30 ILCS 500/40-25

Amends the Illinois Procurement Code. Requires that the conditions of a State lease renewal must be agreed upon within 30 days after lease expiration. Requires that a State agency report a holdover lease to the Procurement Policy Board. Requires that a lessor's failure to negotiate a lease renewal in good faith must be documented and may be considered in the future award of State leases.

LRB096 08449 JAM 18566 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 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. Leases shall be for a term not to exceed
9 10 years and shall include a termination option in favor of the
10 State after 5 years.

11 (b) Renewal. Leases may include a renewal option. An option
12 to renew may be exercised only when a State purchasing officer
13 determines in writing that renewal is in the best interest of
14 the State and notice of the exercise of the option is published
15 in the appropriate volume of the Procurement Bulletin at least
16 60 days prior to the exercise of the option. A State agency
17 lessee must agree in writing to the conditions of its lease
18 renewal within 30 days after the expiration of the most recent
19 term of the lease.

20 A State agency lessee must report to the Procurement Policy
21 Board any expired lease that is continued on a month-to-month
22 or other holdover basis before or on the 31st day after the
23 date of the lease's expiration. The report must include at

1 least (i) a written explanation why the lease was not renewed
2 in a timely manner, (ii) the date activity on the renewal
3 commenced, (iii) a log of all actions taken to renew the lease,
4 and (iv) the reason that the parties are unable to agree on the
5 conditions of renewal. The State agency lessee shall submit
6 updated reports to the Procurement Policy Board weekly until
7 the lease is renewed or the Procurement Policy Board recommends
8 that the State terminate the lease.

9 A lessor's failure to negotiate lease renewal conditions in
10 good faith must be documented by the State agency lessee to
11 that agency's chief procurement officer and may be considered
12 in the future award of State leases.

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

17 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)