

AN ACT concerning State government.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The State Property Control Act is amended by changing Section 7.1 as follows:

(30 ILCS 605/7.1) (from Ch. 127, par. 133b10.1)

Sec. 7.1. (a) Except as otherwise provided by law, all surplus real property held by the State of Illinois shall be disposed of by the administrator as provided in this Section. "Surplus real property," as used in this Section, means any real property to which the State holds fee simple title or lesser interest, and 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. Title to the surplus real property may remain with the owning agency throughout the disposition process if approved by the Administrator; however, the Administrator and the Department of Central Management Services shall have sole responsibility and authority for disposing of the property as set out in this Section ~~vacant, unoccupied or unused and which has no foreseeable use by the owning agency.~~

(b) All responsible officers shall submit an Annual Real

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

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

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

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

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

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

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

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

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

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

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

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

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. That written determination shall be published in the Illinois Procurement Bulletin. Such written determination, along with an affidavit setting forth the conditions and circumstances that make the use of a different value in the best interests of the State, shall also be filed with the Executive Ethics Commission. The Executive Ethics Commission shall have 30 days to review the written determination. The Executive Ethics Commission may order an additional 30 days to review the written determination. The Administrator shall provide the Executive Ethics Commission with any information requested by the Executive Ethics Commission related to the Administrator's determination of the value of the surplus real property. If

the Executive Ethics Commission objects in writing to the value determined by the Administrator, then the Administrator shall not convey the surplus real property for less than either the fair market value as determined by the average of appraisals or an amount agreed upon by the Executive Ethics Commission and the Administrator. Circumstances in which it is in the best interests of the State to establish a different value may include, but are not limited to, the following: (i) an auction did not yield any bids at the established fair market value; (ii) a unit of local government is interested in acquiring the surplus real property; or (iii) the costs to the State of maintaining such surplus real property are sufficiently high that it would be reasonable to a prudent person to sell such surplus real property for less than the fair market value established by the average of the appraisals. In no event shall the Administrator sell surplus real property for less than 75% of fair market value and before such property has been offered to an interested unit of local government or made available at public auction.

Prior to offering the surplus real property for sale to the public the Administrator shall give notice in writing of the existence ~~and fair market value~~ 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 such real property is located. Any such State agency or governing body may notify the Administrator of

its interest in acquiring ~~exercise its option to acquire~~ the surplus real property ~~for the fair market value~~ within a notice period set by the Administrator of at least 30 days. If any State agency notifies the Administrator of its interest in acquiring the surplus property, the Administrator may deny any such requests by such agency if the Administrator determines that it is more advantageous to the State to dispose of the surplus real property to a governing body or the public. If a governing body notifies the Administrator of its interest in acquiring the property, then the Administrator shall wait a minimum of 30 additional days during which the Administrator may engage in negotiations with such governing body for the sale of the surplus real property ~~60 days of the notice.~~ After the notice period set by the Administrator of at least 30 days ~~the 60 day period~~ has passed, the Administrator may sell the surplus real property by public auction, which may include an electronic auction or the use of sealed bids, following notice of such sale by publication on 3 separate days not less than 15 nor more than 30 days prior to the sale in the State newspaper and in a newspaper having general circulation in the county in which the surplus real property is located. The Administrator shall post "For Sale" signs of a conspicuous nature on such surplus real property offered for sale to the public. If no acceptable offers for the surplus real property are received, the Administrator may have new appraisals of such property made. The Administrator shall have all power necessary to

convey surplus real property under this Section. All moneys received for the sale of surplus real property shall be deposited in the General Revenue Fund, except that:

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

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

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

The Administrator shall have authority to order such surveys, abstracts of title, or commitments for title insurance as may, in his reasonable discretion, be deemed necessary to demonstrate to prospective purchasers or bidders good and marketable title in any property offered for sale

pursuant to this Section. Unless otherwise specifically authorized by the General Assembly, all conveyances of property made by the Administrator shall be by quit claim deed.

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

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

Section 10. The School Code is amended by changing Section 18-4.4 as follows:

(105 ILCS 5/18-4.4) (from Ch. 122, par. 18-4.4)

Sec. 18-4.4. Tax Equivalent Grants. When any State institution is located in a school district in which the State owns 45% or more of the total land area of the district, the State Superintendent of Education shall annually direct the State Comptroller to pay the amount of the tax-equivalent grants provided in this Section, and the State Comptroller shall draw his warrant upon the State Treasurer for the payment of the grants. For fiscal year 1995 and each fiscal year thereafter, the grant shall equal 0.5% of the equalized assessed valuation of the land owned by the State (computing that equalized assessed valuation by multiplying the average

value per taxable acre of the school district by the total number of acres of land owned by the State). Annually on or before September 15, 1994 and July 1, thereafter, the district superintendent shall certify to the State Board of Education the following matters:

1. The name of the State institution.
2. The total land area of the district in acres.
3. The total ownership of the land of the State in acres.
4. The total equalized assessed value of all the land in the district.
5. The rate of school tax payable in the year.
6. The computed amount of the tax-equivalent grant claimed.

Failure of any district superintendent to certify the claim for the tax-equivalent grant on or before September 15, 1994 or July 1 of a subsequent year shall constitute a forfeiture by the district of its right to such grant for the school year.

Notwithstanding any provision of law to the contrary or the disposition of State property which would affect the allocation of grants under this Section, a tax-equivalent grant may be awarded to a school district in which the State owns 40% or more of the total land area of the district if, as of the effective date of this amendatory Act of the 102nd General Assembly, the school district would otherwise qualify

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for a tax-equivalent grant under this Section as a district in which the State owns 45% or more of the total land area.

(Source: P.A. 91-723, eff. 6-2-00.)

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