



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB4744

Introduced 1/11/2010, by Rep. Michael W. Tryon - Dennis M. Reboletti - Kay Hatcher - William B. Black

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 any real property to which the State holds fee simple title or lesser interest, and (i) that has not been used by the State for at least the past 3 years and for which there is no foreseeable use in the next 3 years, (ii) that has not been used by the State for at least the past 6 years, or (iii) that is reported or transferred to the Director of Central Management Services as unused property and for which there is no foreseeable use by the Department of Central Management Services. Provides that, if the fair market value of surplus real property is \$1,000,000 or more, then the transfer of that property to any entity other than a State agency must be approved by the General Assembly by statute, whether or not the transfer is made for an amount that exceeds, is less than, or is equal to the fair market value of the property. Effective immediately.

LRB096 16399 HLH 31665 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 and by adding Section 7d 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 (i) that has not been used by the State
13 for at least the past 3 years and for which there is no
14 foreseeable use in the next 3 years, (ii) that has not been
15 used by the State for at least the past 6 years, or (iii) that
16 is reported or transferred to the Director of Central
17 Management Services as unused property and for which there is
18 no foreseeable use by the Department of Central Management
19 Services. and is vacant, unoccupied or unused and which has no
20 foreseeable use by the owning agency.

21 (b) All responsible officers shall submit an Annual Real
22 Property Utilization Report to the Administrator, or annual
23 update of such report, on forms required by the Administrator,

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

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

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

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

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

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

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

21 This report shall be filed with the Speaker, the Minority
22 Leader and the Clerk of the House of Representatives and the
23 President, the Minority Leader and the Secretary of the Senate
24 and shall be duplicated and made available to the members of
25 the General Assembly for evaluation by such members for
26 possible liquidation of unused public property at public sale.

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

19 (d) Any surplus real property which is not transferred to
20 the control of another State agency under paragraph (c) shall
21 be disposed of by the Administrator. No appraisal is required
22 if during his initial survey of surplus real property the
23 Administrator determines such property has a fair market value
24 of less than \$5,000. If the value of such property is
25 determined by the Administrator in his initial survey to be
26 \$5,000 or more, then the Administrator shall obtain 3

1 appraisals of such real property, one of which shall be
2 performed by an appraiser residing in the county in which said
3 surplus real property is located. The average of these 3
4 appraisals, plus the costs of obtaining the appraisals, shall
5 represent the fair market value of the surplus real property.
6 No surplus real property may be conveyed by the Administrator
7 for less than the fair market value. Prior to offering the
8 surplus real property for sale to the public the Administrator
9 shall give notice in writing of the existence and fair market
10 value of the surplus real property to the governing bodies of
11 the county and of all cities, villages and incorporated towns
12 in the county in which such real property is located. Any such
13 governing body may exercise its option to acquire the surplus
14 real property for the fair market value within 60 days of the
15 notice. After the 60 day period has passed, the Administrator
16 may sell the surplus real property by public auction following
17 notice of such sale by publication on 3 separate days not less
18 than 15 nor more than 30 days prior to the sale in the State
19 newspaper and in a newspaper having general circulation in the
20 county in which the surplus real property is located. The
21 Administrator shall post "For Sale" signs of a conspicuous
22 nature on such surplus real property offered for sale to the
23 public. If no acceptable offers for the surplus real property
24 are received, the Administrator may have new appraisals of such
25 property made. The Administrator shall have all power necessary
26 to convey surplus real property under this Section. All moneys

1 received for the sale of surplus real property shall be
2 deposited in the General Revenue Fund, except that:

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

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

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

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

1 General Assembly, all conveyances of property made by the
2 Administrator shall be by quit claim deed.

3 (d-5) Notwithstanding any other provision of law, if the
4 fair market value of surplus real property, as determined under
5 subsection (d) of this Section, is \$1,000,000 or more, then the
6 transfer of that property to any entity other than a State
7 agency must be approved by the General Assembly by statute,
8 whether or not the transfer is made for an amount that exceeds,
9 is less than, or is equal to the fair market value of the
10 property.

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

15 (Source: P.A. 96-527, eff. 1-1-10; 96-660, eff. 8-25-09;
16 revised 9-15-09.)

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