



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB4623

by Rep. C.D. Davidsmeyer

SYNOPSIS AS INTRODUCED:

New Act

20 ILCS 5/1-5

20 ILCS 5/5-15

20 ILCS 5/5-20

30 ILCS 605/1.03

30 ILCS 605/7.1

was 20 ILCS 5/3

was 20 ILCS 5/4

from Ch. 127, par. 133b4

from Ch. 127, par. 133b10.1

Creates the State Property Disposal Agency Law within the Civil Administrative Code of Illinois. Creates the State Property Disposal Agency. Provides that the Agency shall be responsible for the disposal of surplus real property under the State Property Control Act. Amends the General Provisions and Departments of State Government Articles of the Civil Administrative Code of Illinois to make conforming changes. Amends the State Property Control Act. Changes the definition of "surplus real property" to include property that is determined by the head of the State agency to no longer be required for the State agency's needs and responsibilities (instead of property that is vacant, unoccupied, or unused and having no foreseeable use by the owning agency). Makes changes concerning the disposition of surplus State property. Provides that, with regard to surplus real estate, "administrator" includes the Director of State Property Disposal.

LRB099 16525 RJF 40861 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 1. Short title. This Act may be cited as the State
5 Property Disposal Agency Law.

6 Section 5. State Property Disposal Agency; Director. There
7 is created the State Property Disposal Agency. The State
8 Property Disposal Agency shall have an officer as its head who
9 shall be known as the Director of State Property Disposal.

10 Section 10. Powers and duties. The Director shall exercise
11 the powers and duties of the Administrator under the State
12 Property Control Act that relate to surplus real property, as
13 defined in Section 7.1 of that Act, including, but not limited
14 to, the disposal of surplus real property under Section 7.1 of
15 that Act.

16 The Director shall have exclusive authority over surplus
17 real property and the disposal thereof under Section 7.1 of the
18 State Property Control Act. The Director, or his or her
19 designee, shall have the authority to execute agreements,
20 contracts, and deeds for the conveyance of surplus real
21 property under that Act.

22 Any reports required to be provided to the Administrator

1 under Section 7.1 of the State Property Control Act, including,
2 but not limited to, the Annual Real Property Utilization Report
3 shall be provided to the Director of State Property Disposal.

4 The Agency shall adopt such rules as may be useful to carry
5 out its responsibilities under Section 7.1 of the State
6 Property Control Act.

7 Section 20. The Civil Administrative Code of Illinois is
8 amended by changing Sections 1-5, 5-15, and 5-20 as follows:

9 (20 ILCS 5/1-5)

10 Sec. 1-5. Articles. The Civil Administrative Code of
11 Illinois consists of the following Articles:

12 Article 1. General Provisions (20 ILCS 5/1-1 and
13 following).

14 Article 5. Departments of State Government Law (20 ILCS
15 5/5-1 and following).

16 Article 50. State Budget Law (15 ILCS 20/).

17 Article 110. Department on Aging Law (20 ILCS 110/).

18 Article 205. Department of Agriculture Law (20 ILCS 205/).

19 Article 250. State Fair Grounds Title Law (5 ILCS 620/).

20 Article 310. Department of Human Services (Alcoholism and
21 Substance Abuse) Law (20 ILCS 310/).

22 Article 405. Department of Central Management Services Law
23 (20 ILCS 405/).

24 Article 510. Department of Children and Family Services

1 Powers Law (20 ILCS 510/).

2 Article 605. Department of Commerce and Economic
3 Opportunity Law (20 ILCS 605/).

4 Article 805. Department of Natural Resources
5 (Conservation) Law (20 ILCS 805/).

6 Article 1005. Department of Employment Security Law (20
7 ILCS 1005/).

8 Article 1405. Department of Insurance Law (20 ILCS 1405/).

9 Article 1505. Department of Labor Law (20 ILCS 1505/).

10 Article 1710. Department of Human Services (Mental Health
11 and Developmental Disabilities) Law (20 ILCS 1710/).

12 Article 1905. Department of Natural Resources (Mines and
13 Minerals) Law (20 ILCS 1905/).

14 Article 2105. Department of Professional Regulation Law
15 (20 ILCS 2105/).

16 Article 2205. Department of Healthcare and Family Services
17 Law (20 ILCS 2205/).

18 Article 2310. Department of Public Health Powers and Duties
19 Law (20 ILCS 2310/).

20 Article 2505. Department of Revenue Law (20 ILCS 2505/).

21 Article 2510. Certified Audit Program Law (20 ILCS 2510/).

22 Article 2605. Department of State Police Law (20 ILCS
23 2605/).

24 Article 2705. Department of Transportation Law (20 ILCS
25 2705/).

26 Article 3000. University of Illinois Exercise of Functions

1 and Duties Law (110 ILCS 355/).

2 Article 3750. State Property Disposal Law.

3 (Source: P.A. 95-331, eff. 8-21-07; 96-328, eff. 8-11-09.)

4 (20 ILCS 5/5-15) (was 20 ILCS 5/3)

5 Sec. 5-15. Departments of State government. The
6 Departments of State government are created as follows:

7 The Department on Aging.

8 The Department of Agriculture.

9 The Department of Central Management Services.

10 The Department of Children and Family Services.

11 The Department of Commerce and Economic Opportunity.

12 The Department of Corrections.

13 The Department of Employment Security.

14 The Illinois Emergency Management Agency.

15 The Department of Financial and Professional Regulation.

16 The Department of Healthcare and Family Services.

17 The Department of Human Rights.

18 The Department of Human Services.

19 The Department of Juvenile Justice.

20 The Department of Labor.

21 The Department of the Lottery.

22 The Department of Natural Resources.

23 The Department of Public Health.

24 The Department of Revenue.

25 The Department of State Police.

1 The State Property Disposal Agency.

2 The Department of Transportation.

3 The Department of Veterans' Affairs.

4 (Source: P.A. 96-328, eff. 8-11-09; 97-618, eff. 10-26-11.)

5 (20 ILCS 5/5-20) (was 20 ILCS 5/4)

6 Sec. 5-20. Heads of departments. Each department shall have
7 an officer as its head who shall be known as director or
8 secretary and who shall, subject to the provisions of the Civil
9 Administrative Code of Illinois, execute the powers and
10 discharge the duties vested by law in his or her respective
11 department.

12 The following officers are hereby created:

13 Director of Aging, for the Department on Aging.

14 Director of Agriculture, for the Department of
15 Agriculture.

16 Director of Central Management Services, for the
17 Department of Central Management Services.

18 Director of Children and Family Services, for the
19 Department of Children and Family Services.

20 Director of Commerce and Economic Opportunity, for the
21 Department of Commerce and Economic Opportunity.

22 Director of Corrections, for the Department of
23 Corrections.

24 Director of the Illinois Emergency Management Agency, for
25 the Illinois Emergency Management Agency.

1 Director of Employment Security, for the Department of
2 Employment Security.

3 Secretary of Financial and Professional Regulation, for
4 the Department of Financial and Professional Regulation.

5 Director of Healthcare and Family Services, for the
6 Department of Healthcare and Family Services.

7 Director of Human Rights, for the Department of Human
8 Rights.

9 Secretary of Human Services, for the Department of Human
10 Services.

11 Director of Juvenile Justice, for the Department of
12 Juvenile Justice.

13 Director of Labor, for the Department of Labor.

14 Director of the Lottery, for the Department of the Lottery.

15 Director of Natural Resources, for the Department of
16 Natural Resources.

17 Director of Public Health, for the Department of Public
18 Health.

19 Director of Revenue, for the Department of Revenue.

20 Director of State Police, for the Department of State
21 Police.

22 Director of State Property Disposal, for the State Property
23 Disposal Agency.

24 Secretary of Transportation, for the Department of
25 Transportation.

26 Director of Veterans' Affairs, for the Department of

1 Veterans' Affairs.

2 (Source: P.A. 97-464, eff. 10-15-11; 97-618, eff. 10-26-11;
3 97-813, eff. 7-13-12; 98-499, eff. 8-16-13.)

4 Section 25. The State Property Control Act is amended by
5 changing Sections 1.03 and 7.1 as follows:

6 (30 ILCS 605/1.03) (from Ch. 127, par. 133b4)

7 Sec. 1.03. "Administrator" means the Director of the
8 Department of Central Management Services, except that for real
9 property within the definition of "property" provided in
10 Section 1.02 of this Act, "administrator" means the Director of
11 State Property Disposal.

12 (Source: P.A. 82-789.)

13 (30 ILCS 605/7.1) (from Ch. 127, par. 133b10.1)

14 Sec. 7.1. (a) Except as otherwise provided by law, all
15 surplus real property held by the State of Illinois shall be
16 disposed of by the administrator as provided in this Section.
17 "Surplus real property," as used in this Section, means any
18 real property to which the State holds fee simple title or
19 lesser interest, and is determined by the head of the State
20 agency to no longer be required for the State agency's needs
21 and responsibilities ~~vacant, unoccupied or unused and which has~~
22 ~~no foreseeable use by the owning agency.~~

23 (b) All responsible officers shall submit an Annual Real

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

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

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

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

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

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

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

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

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

3 (c) Following receipt of the Annual Real Property
4 Utilization Report required under paragraph (b), the
5 Administrator shall notify all State agencies by October 31 of
6 all declared surplus real property. ~~Any State agency may submit
7 a written request to the Administrator, within 60 days of the
8 date of such notification, to have control of surplus real
9 property transferred to that agency. Such request must indicate
10 the reason for the transfer and the intended use to be made of
11 such surplus real property. The Administrator may deny any or
12 all such requests by a State agency or agencies if the
13 Administrator determines that it is more advantageous to the
14 State to dispose of the surplus real property under paragraph
15 (d). In case requests for the same surplus real property are
16 received from more than one State agency, the Administrator
17 shall weigh the benefits to the State and determine to which
18 agency, if any, to transfer control of such property. The
19 Administrator shall coordinate the use and disposal of State
20 surplus real property with any State space utilization 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, which shall include any known
4 liabilities, including, but not limited to, environmental
5 costs ~~one of which shall be performed by an appraiser residing~~
6 ~~in the county in which said surplus real property is located.~~
7 The average of these 2 ~~3~~ appraisals, ~~plus the costs of~~
8 ~~obtaining the appraisals,~~ shall represent the fair market value
9 of the surplus real property. However, if the 2 appraisals
10 differ by more than 15%, then the Administrator shall obtain a
11 third appraisal, and the fair market value shall be the average
12 of these 3 appraisals.

13 No surplus real property may be conveyed by the
14 Administrator for less than the fair market value, unless the
15 Administrator makes a written determination that it is in the
16 best interests of the State to establish a different value.
17 That written determination shall be published in the Illinois
18 Procurement Bulletin. Such written determination, along with
19 an affidavit setting forth the conditions and circumstances
20 that make the use of a different value in the best interests of
21 the State, shall also be filed with the Executive Ethics
22 Commission. The Executive Ethics Commission shall have at least
23 30 days to review the written determination. The Executive
24 Ethics Commission may order an additional 30 days to review the
25 written determination. The Administrator shall provide the
26 Executive Ethics Commission with any information requested by

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

18 Prior to offering the surplus real property for sale to the
19 public the Administrator shall give notice in writing of the
20 existence ~~and fair market value~~ of the surplus real property to
21 each State agency and to the governing bodies of the county and
22 of all cities, villages and incorporated towns in the county in
23 which such real property is located. Any such State agency or
24 governing body may notify the Administrator of its interest in
25 acquiring ~~exercise its option to acquire~~ the surplus real
26 property ~~for the fair market value~~ within the notice period set

1 by the Administrator of at least 14 days ~~60 days of the notice.~~

2 If any State agency or governing body notifies the
3 Administrator of its interest in acquiring the property, then
4 the Administrator shall wait a minimum of 30 additional days
5 during which to engage in negotiations with that State agency
6 or governing body for the sale of the surplus real property.

7 After the notice period ~~60-day period~~ has passed, the
8 Administrator may sell the surplus real property by public
9 auction, which may include an electronic auction or the use of

10 sealed bids, following notice of such sale by publication on 3
11 separate days not less than 15 nor more than 30 days prior to
12 the sale in the State newspaper and in a newspaper having
13 general circulation in the county in which the surplus real
14 property is located. The Administrator shall post "For Sale"
15 signs of a conspicuous nature on such surplus real property
16 offered for sale to the public. If no acceptable offers for the
17 surplus real property are received, the Administrator may have
18 new appraisals of such property made. The Administrator shall
19 have all power necessary to convey surplus real property under
20 this Section. All moneys received for the sale of surplus real
21 property shall be deposited in the General Revenue Fund, except
22 that:

23 (1) Where moneys expended for the acquisition of such
24 real property were from a special fund which is still a
25 special fund in the State treasury, this special fund shall
26 be reimbursed in the amount of the original expenditure and

1 any amount in excess thereof shall be deposited in the
2 General Revenue Fund.

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

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

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

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

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