



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB0810

by Rep. Sonya M. Harper

SYNOPSIS AS INTRODUCED:

30 ILCS 605/7.1

from Ch. 127, par. 133b10.1

35 ILCS 200/15-55

Amends the State Property Control Act. Provides that the Director of Central Management Services as Administrator may convey any surplus real property covered by the State Property Control Act, by sale or lease, to a duly incorporated, charitable, non-profit organization or association for the cultivation and sale of fresh fruits and vegetables on a tract of land of less than 5 acres within any local governmental unit, provided that the non-profit organization or association is not controlled, directly or indirectly, by any agricultural, commercial, or other business. Provides that the non-profit organization or association shall be authorized to sell fresh fruits and vegetables either on the land that was conveyed, off that land, or both, provided, that the sales are related or incidental to the non-profit purposes of the organization or association, and the net proceeds received by the non-profit organization or association are used to further the non-profit purposes of the organization or association. Provides that the lease of any real property to any duly incorporated non-profit organization or association shall be in accordance with the Illinois Procurement Code. Amends the Property Tax Code to provide a property tax exemption for non-profit organizations using land for the cultivation and sale of fresh fruits and vegetables.

LRB101 04945 RJF 49954 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 State Property Control Act is amended by
5 changing Section 7.1 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 is vacant, unoccupied or unused and which
13 has no foreseeable use by the owning agency.

14 (b) All responsible officers shall submit an Annual Real
15 Property Utilization Report to the Administrator, or annual
16 update of such report, on forms required by the Administrator,
17 by July 31 of each year. The Administrator may require such
18 documentation as he deems reasonably necessary in connection
19 with this Report, and shall require that such Report include
20 the following information:

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

23 (2) A description of the use of the real property listed

1 under (1).

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

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

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

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

14 This report shall be filed with the Speaker, the Minority
15 Leader and the Clerk of the House of Representatives and the
16 President, the Minority Leader and the Secretary of the Senate
17 and shall be duplicated and made available to the members of
18 the General Assembly for evaluation by such members for
19 possible liquidation of unused public property at public sale.

20 (c) Following receipt of the Annual Real Property
21 Utilization Report required under paragraph (b), the
22 Administrator shall notify all State agencies by October 31 of
23 all declared surplus real property. Any State agency may submit
24 a written request to the Administrator, within 60 days of the
25 date of such notification, to have control of surplus real
26 property transferred to that agency. Such request must indicate

1 the reason for the transfer and the intended use to be made of
2 such surplus real property. The Administrator may deny any or
3 all such requests by a State agency or agencies if the
4 Administrator determines that it is more advantageous to the
5 State to dispose of the surplus real property under paragraph
6 (d). In case requests for the same surplus real property are
7 received from more than one State agency, the Administrator
8 shall weigh the benefits to the State and determine to which
9 agency, if any, to transfer control of such property. The
10 Administrator shall coordinate the use and disposal of State
11 surplus real property with any State space utilization program.

12 (d) Any surplus real property which is not transferred to
13 the control of another State agency under paragraph (c) shall
14 be disposed of by the Administrator. No appraisal is required
15 if during his initial survey of surplus real property the
16 Administrator determines such property has a fair market value
17 of less than \$5,000. If the value of such property is
18 determined by the Administrator in his initial survey to be
19 \$5,000 or more, then the Administrator shall obtain 3
20 appraisals of such real property, one of which shall be
21 performed by an appraiser residing in the county in which said
22 surplus real property is located. The average of these 3
23 appraisals, plus the costs of obtaining the appraisals, shall
24 represent the fair market value of the surplus real property.
25 No surplus real property may be conveyed by the Administrator
26 for less than the fair market value. Prior to offering the

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

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

1 General Revenue Fund.

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

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

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

22 (d-5) Notwithstanding any other provision of this Act, the
23 Administrator may convey any surplus real property covered by
24 this Act, by sale or lease, to a duly incorporated, charitable,
25 non-profit organization or association for the cultivation and
26 sale of fresh fruits and vegetables on a tract of land of less

1 than 5 acres within any local governmental unit, provided that
2 the non-profit organization or association is not controlled,
3 directly or indirectly, by any agricultural, commercial, or
4 other business. The non-profit organization or association
5 under this subsection (d-5) shall be authorized to sell fresh
6 fruits and vegetables either on the land that was conveyed, off
7 that land, or both, provided, that the sales are related or
8 incidental to the non-profit purposes of the organization or
9 association, and the net proceeds received by the non-profit
10 organization or association are used to further the non-profit
11 purposes of the organization or association. The lease of any
12 real property to any duly incorporated non-profit organization
13 or association shall be in accordance with the Illinois
14 Procurement Code.

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

19 (Source: P.A. 96-527, eff. 1-1-10; 96-660, eff. 8-25-09;
20 96-1000, eff. 7-2-10.)

21 Section 10. The Property Tax Code is amended by changing
22 Section 15-55 as follows:

23 (35 ILCS 200/15-55)

24 Sec. 15-55. State property.

1 (a) All property belonging to the State of Illinois is
2 exempt. However, the State agency holding title shall file the
3 certificate of ownership and use required by Section 15-10,
4 together with a copy of any written lease or agreement, in
5 effect on March 30 of the assessment year, concerning parcels
6 of 1 acre or more, or an explanation of the terms of any oral
7 agreement under which the property is leased, subleased or
8 rented.

9 The leased property shall be assessed to the lessee and the
10 taxes thereon extended and billed to the lessee, and collected
11 in the same manner as for property which is not exempt. The
12 lessee shall be liable for the taxes and no lien shall attach
13 to the property of the State.

14 For the purposes of this Section, the word "leases"
15 includes licenses, franchises, operating agreements and other
16 arrangements under which private individuals, associations or
17 corporations are granted the right to use property of the
18 Illinois State Toll Highway Authority and includes all property
19 of the Authority used by others without regard to the size of
20 the leased parcel.

21 (b) However, all property of every kind belonging to the
22 State of Illinois, which is or may hereafter be leased to the
23 Illinois Prairie Path Corporation, shall be exempt from all
24 assessments, taxation or collection, despite the making of any
25 such lease, if it is used for:

26 (1) conservation, nature trail or any other

1 charitable, scientific, educational or recreational
2 purposes with public benefit, including the preserving and
3 aiding in the preservation of natural areas, objects,
4 flora, fauna or biotic communities;

5 (2) the establishment of footpaths, trails and other
6 protected areas;

7 (3) the conservation of the proper use of natural
8 resources or the promotion of the study of plant and animal
9 communities and of other phases of ecology, natural history
10 and conservation;

11 (4) the promotion of education in the fields of nature,
12 preservation and conservation; or

13 (5) similar public recreational activities conducted
14 by the Illinois Prairie Path Corporation.

15 No lien shall attach to the property of the State. No tax
16 liability shall become the obligation of or be enforceable
17 against Illinois Prairie Path Corporation.

18 (b-5) However, all property of every kind belonging to the
19 State of Illinois, which is or may be sold or leased to a
20 non-profit organization specified under subsection (d-5) of
21 Section 7.1 of the State Property Control Act, shall be exempt
22 from all assessments, taxation, or collection, despite the
23 making of any such sale or lease, if it is used for the
24 cultivation and sale of fresh fruits and vegetables, and the
25 net proceeds received by the non-profit organization or
26 association are used to further the non-profit purposes of the

1 organization or association.

2 (c) If the State sells the James R. Thompson Center or the
3 Elgin Mental Health Center and surrounding land located at 750
4 S. State Street, Elgin, Illinois, as provided in subdivision
5 (a)(2) of Section 7.4 of the State Property Control Act, to
6 another entity whose property is not exempt and immediately
7 thereafter enters into a leaseback or other agreement that
8 directly or indirectly gives the State a right to use, control,
9 and possess the property, that portion of the property leased
10 and occupied exclusively by the State shall remain exempt under
11 this Section. For the property to remain exempt under this
12 subsection (c), the State must retain an option to purchase the
13 property at a future date or, within the limitations period for
14 reverters, the property must revert back to the State.

15 If the property has been conveyed as described in this
16 subsection (c), the property is no longer exempt pursuant to
17 this Section as of the date when:

18 (1) the right of the State to use, control, and possess
19 the property has been terminated; or

20 (2) the State no longer has an option to purchase or
21 otherwise acquire the property and there is no provision
22 for a reverter of the property to the State within the
23 limitations period for reverters.

24 Pursuant to Sections 15-15 and 15-20 of this Code, the
25 State shall notify the chief county assessment officer of any
26 transaction under this subsection (c). The chief county

1 assessment officer shall determine initial and continuing
2 compliance with the requirements of this Section for tax
3 exemption. Failure to notify the chief county assessment
4 officer of a transaction under this subsection (c) or to
5 otherwise comply with the requirements of Sections 15-15 and
6 15-20 of this Code shall, in the discretion of the chief county
7 assessment officer, constitute cause to terminate the
8 exemption, notwithstanding any other provision of this Code.

9 (c-1) If the Illinois State Toll Highway Authority sells
10 the Illinois State Toll Highway Authority headquarters
11 building and surrounding land, located at 2700 Ogden Avenue,
12 Downers Grove, Illinois as provided in subdivision (a)(2) of
13 Section 7.5 of the State Property Control Act, to another
14 entity whose property is not exempt and immediately thereafter
15 enters into a leaseback or other agreement that directly or
16 indirectly gives the State or the Illinois State Toll Highway
17 Authority a right to use, control, and possess the property,
18 that portion of the property leased and occupied exclusively by
19 the State or the Authority shall remain exempt under this
20 Section. For the property to remain exempt under this
21 subsection (c), the Authority must retain an option to purchase
22 the property at a future date or, within the limitations period
23 for reverters, the property must revert back to the Authority.

24 If the property has been conveyed as described in this
25 subsection (c), the property is no longer exempt pursuant to
26 this Section as of the date when:

1 (1) the right of the State or the Authority to use,
2 control, and possess the property has been terminated; or

3 (2) the Authority no longer has an option to purchase
4 or otherwise acquire the property and there is no provision
5 for a reverter of the property to the Authority within the
6 limitations period for reverters.

7 Pursuant to Sections 15-15 and 15-20 of this Code, the
8 Authority shall notify the chief county assessment officer of
9 any transaction under this subsection (c). The chief county
10 assessment officer shall determine initial and continuing
11 compliance with the requirements of this Section for tax
12 exemption. Failure to notify the chief county assessment
13 officer of a transaction under this subsection (c) or to
14 otherwise comply with the requirements of Sections 15-15 and
15 15-20 of this Code shall, in the discretion of the chief county
16 assessment officer, constitute cause to terminate the
17 exemption, notwithstanding any other provision of this Code.

18 (d) The fair market rent of each parcel of real property in
19 Will County owned by the State of Illinois for the purpose of
20 developing an airport by the Department of Transportation shall
21 include the assessed value of leasehold tax. The lessee of each
22 parcel of real property in Will County owned by the State of
23 Illinois for the purpose of developing an airport by the
24 Department of Transportation shall not be liable for the taxes
25 thereon. In order for the State to compensate taxing districts
26 for the leasehold tax under this paragraph the Will County

1 Supervisor of Assessments shall certify, in writing, to the
2 Department of Transportation, the amount of leasehold taxes
3 extended for the 2002 property tax year for each such exempt
4 parcel. The Department of Transportation shall pay to the Will
5 County Treasurer, from the Tax Recovery Fund, on or before July
6 1 of each year, the amount of leasehold taxes for each such
7 exempt parcel as certified by the Will County Supervisor of
8 Assessments. The tax compensation shall terminate on December
9 31, 2020. It is the duty of the Department of Transportation to
10 file with the Office of the Will County Supervisor of
11 Assessments an affidavit stating the termination date for
12 rental of each such parcel due to airport construction. The
13 affidavit shall include the property identification number for
14 each such parcel. In no instance shall tax compensation for
15 property owned by the State be deemed delinquent or bear
16 interest. In no instance shall a lien attach to the property of
17 the State. In no instance shall the State be required to pay
18 leasehold tax compensation in excess of the Tax Recovery Fund's
19 balance.

20 (e) Public Act 81-1026 applies to all leases or agreements
21 entered into or renewed on or after September 24, 1979.

22 (f) Notwithstanding anything to the contrary in this Code,
23 all property owned by the State that is the Illiana Expressway,
24 as defined in the Public Private Agreements for the Illiana
25 Expressway Act, and that is used for transportation purposes
26 and that is leased for those purposes to another entity whose

1 property is not exempt shall remain exempt, and any leasehold
2 interest in the property shall not be subject to taxation under
3 Section 9-195 of this Act.

4 (g) Notwithstanding anything to the contrary in this
5 Section, all property owned by the State or the Illinois State
6 Toll Highway Authority that is defined as a transportation
7 project under the Public-Private Partnerships for
8 Transportation Act and that is used for transportation purposes
9 and that is leased for those purposes to another entity whose
10 property is not exempt shall remain exempt, and any leasehold
11 interest in the property shall not be subject to taxation under
12 Section 9-195 of this Act.

13 (h) Notwithstanding anything to the contrary in this Code,
14 all property owned by the State that is the South Suburban
15 Airport, as defined in the Public-Private Agreements for the
16 South Suburban Airport Act, and that is used for airport
17 purposes and that is leased for those purposes to another
18 entity whose property is not exempt shall remain exempt, and
19 any leasehold interest in the property shall not be subject to
20 taxation under Section 9-195 of this Act.

21 (Source: P.A. 97-502, eff. 8-23-11; 98-109, eff. 7-25-13.)