

FILED MAR 12 1997

WITHDRAWN

SENATE FILE 411
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SF 245)

*Substituted for
S.F. 405
4-7-97 (p. 978)*

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the sale, lease, or other disposition of
2 property belonging to a school district or area education
3 agency and providing an immediate effective date.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 411

WITHDRAWN

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1 Section 1. Section 7.20, Code 1997, is amended to read as
2 follows:

3 7.20 EXECUTIVE ORDER -- USE OF VACANT SCHOOL PROPERTY.

4 The governor shall issue an executive order requiring all
5 state agencies to consider the leasing of a vacant facility or
6 building which is appropriately located and which is owned by
7 a public school corporation before a state agency leases,
8 purchases, or constructs a facility or building. The state
9 agency may lease a facility or building owned by a public
10 school corporation with an option to purchase the facility or
11 building in compliance with ~~sections~~ section 297.22 to-297-24.
12 The lease shall provide that the public school corporation may
13 terminate the lease if the corporation needs to use the
14 facility or building for school purposes. The public school
15 corporation shall notify the state agency at least thirty days
16 before the termination of the lease.

17 Sec. 2. Section 273.3, subsection 21, Code 1997, is
18 amended to read as follows:

19 21. Be authorized to sell, lease, or dispose of, in whole
20 or in part, property belonging to the area education agency.
21 Before the area education agency may sell property belonging
22 to the agency, the board of directors shall comply with the
23 requirements set forth in ~~sections-297-23-and-297-24~~ section
24 297.22. Before the board of directors of an area education
25 agency may lease property belonging to the agency, the board
26 shall obtain the approval of the director of the department of
27 education.

28 Sec. 3. Section 297.22, Code 1997, is amended to read as
29 follows:

30 297.22 POWER TO SELL, LEASE, OR DISPOSE OF PROPERTY --
31 TAX.

32 1. The board of directors of a school district may sell,
33 lease, or dispose of, in whole or in part, a schoolhouse,
34 site, or other property belonging to the district. However,
35 ~~if-the-appraised-value-exceeds-twenty-five-thousand-dollars,~~

1 the board shall hold a public hearing before the board takes
2 final action on the property:

3 Proceeds from the sale or disposition of real property
4 shall be placed in the physical plant and equipment levy fund.
5 Proceeds from the sale or disposition of property other than
6 real property shall be placed in the general fund. Proceeds
7 from the lease of real or other property shall be placed in
8 the general fund.

9 Before the board of directors may sell, lease, or dispose
10 of any property belonging to the school district it the board
11 shall comply with the requirements set forth in this section
12 and sections 297.15 to through 297.20 and sections 297:23 and
13 297:24. Any real estate proposed to be sold shall be
14 appraised by three disinterested freeholders residing in the
15 school district and appointed by the chief judge of the
16 judicial district of the county in which said real estate is
17 located from the list of compensation commissioners.

18 Before the board of directors may sell, lease for a period
19 in excess of one year, or dispose of any real property
20 belonging to the school, the board shall hold a public hearing
21 on the proposal. The board shall set forth its proposal in a
22 resolution and shall publish notice of the time and the place
23 of the public hearing on the resolution. Notice of the time
24 and place of the public hearing shall be published at least
25 once not less than ten days but not more than twenty days
26 prior to the date of the hearing in a newspaper of general
27 circulation in the district. After the public hearing, the
28 board may make a final determination on the proposal contained
29 in the resolution.

30 2. The board of directors of a school district may sell,
31 lease, exchange, give, or grant, and accept any interest in
32 real property to, with, or from a county, municipal
33 corporation, school district, township, or area education
34 agency if the real property is within the jurisdiction of both
35 the grantor and grantee. In this case sections 297:15 to

1 ~~297:20, sections 297:23 and 297:24, and appraisal requirements~~
2 ~~of this section do not apply to the transaction.~~

3 The board of directors of a school district may lease a
4 portion of an existing school building in which the remaining
5 portion of the building will be used for school purposes for a
6 period of not to exceed five years. The lease may be renewed
7 at the option of the board. ~~Sections 297:15 to 297:20,~~
8 ~~sections 297:23 and 297:24, and the appraisal requirements~~ The
9 notice and public hearing requirements of subsection 1 of this
10 section do not apply to the lease of a portion of an existing
11 school building. A school district shall pay out of the
12 revenue from a lease to the state of Iowa, and to the city,
13 school district and any other political subdivision authorized
14 to levy taxes, an amount as determined by this section. The
15 amount shall be determined by applying the annual tax rate of
16 the taxing district to the assessed value of the portion of
17 the building leased, prorated for the term of the lease during
18 the appropriate taxing period. The provisions of this section
19 relating to the payment of property tax because of leases
20 shall only apply to leases to private, for-profit entities
21 which lease a portion of a school building for a period of
22 thirty or more consecutive days.

23 ~~2.~~ 3. The provisions in subsection 1, relating to the
24 sale, lease, or disposition of school district property do not
25 apply to student-constructed buildings and the property on
26 which student-constructed buildings are located. The board of
27 directors of a school district may sell, lease, or dispose of
28 a student-constructed building and the property on which the
29 student-constructed building is located, and may purchase
30 sites for the erection of additional structures, by any
31 procedure which is adopted by the board.

32 Sec. 4. Section 297.25, Code 1997, is amended to read as
33 follows:

34 297.25 RULE OF CONSTRUCTION.

35 Sections Section 297.22 to-297:24 shall be construed as

1 independent of the power vested in the electors by section
2 278.1, and as additional thereto to such power.

3 Sec. 5. Section 331.361, subsection 7, Code 1997, is
4 amended to read as follows:

5 7. The board shall not lease, purchase, or construct a
6 facility or building before considering the leasing of a
7 vacant facility or building which is located in the county and
8 owned by a public school corporation. The board may lease a
9 facility or building owned by the public school corporation
10 with an option to purchase the facility or building in
11 compliance with ~~sections~~ section 297.22 ~~to-297-24.~~ The lease
12 shall provide that the public school corporation may terminate
13 the lease if the corporation needs to use the facility or
14 building for school purposes. The public school corporation
15 shall notify the board at least thirty days before the
16 termination of the lease.

17 Sec. 6. Section 364.21, Code 1997, is amended to read as
18 follows:

19 364.21 USE OF VACANT SCHOOL PROPERTY.

20 A city shall not lease, purchase, or construct a building
21 before considering the leasing of a vacant facility or
22 building owned by a local public school corporation. The city
23 may lease a facility or building owned by a local public
24 school corporation with an option to purchase the facility or
25 building in compliance with ~~sections~~ section 297.22 ~~to-297-24.~~
26 The lease shall provide that the public school corporation may
27 terminate the lease if the corporation needs to use the
28 facility or building for school purposes. The public school
29 corporation shall notify the city at least thirty days before
30 the termination of the lease.

31 Sec. 7. Sections 297.21, 297.23, and 297.24, Code 1997,
32 are repealed.

33 Sec. 8. This Act, being deemed of immediate importance,
34 takes effect upon enactment.

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EXPLANATION

1 This bill requires that if the board of directors of a
2 school district or area education agency wishes to sell,
3 lease, or otherwise dispose of property, the board must adopt
4 a resolution and hold a public hearing on the resolution.

5 The bill removes the requirement contained in Code sections
6 297.23 and 297.24 that property be sold through a public bid
7 process.

8 The bill takes effect upon enactment.

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SENATE FILE 411

S-3240

1 Amend Senate File 411 as follows:

2 1. Page 2, line 2, by inserting after the words
3 "property:" the following: "If the real property
4 contains less than two acres, is located outside of a
5 city, is not adjacent to a city, and was previously
6 used as a schoolhouse site, the procedure contained in
7 sections 297.15 through 297.20 shall be followed in
8 lieu of this section."

9 2. Page 2, by striking lines 9 through 13 and
10 inserting the following:

11 ~~"Before the board of directors may sell, lease or~~
12 ~~dispose of any property belonging to the school~~
13 ~~district it shall comply with the requirements set~~
14 ~~forth in sections 297.15 to 297.20 and sections 297.23~~
15 ~~and 297.24. Any real estate proposed to be sold shall~~
16 ~~be".~~

By NANCY BOETTGER

S-3240 FILED MARCH 26, 1997

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