

3/3/97 Referred to Education
3/11/97 Amend/Do Pass 4/1/62

REPRINTED

FEB 28 1997

LOCAL GOVERNMENT

HOUSE FILE
BY BARRY

405

(COMPANION TO LSB 2300SS BY
BOETTGER)

Passed House, (p. 641) Date <u>3-18-97</u>	Passed Senate, (p. 978) Date <u>4-8-97</u>
Vote: Ayes <u>99</u> Nays <u>0</u>	Vote: Ayes <u>44</u> Nays <u>0</u>
Approved <u>May 26, 1997</u>	

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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HF 405

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 of~~
10 ~~any property belonging to the school district it shall comply~~
11 ~~with the requirements set forth in sections 297.15 to 297.20~~
12 ~~and sections 297.23 and 297.24. Any real estate proposed to~~
13 ~~be sold shall be appraised by three disinterested freeholders~~
14 ~~residing in the school district and appointed by the chief~~
15 ~~judge of the judicial district of the county in which said~~
16 ~~real estate is located from the list of compensation~~
17 ~~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.

35

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 that property to be sold,
6 leased, or otherwise disposed of by a school district or area
7 education agency be first offered, by reversion, to the former
8 owner. The bill also removes the requirement that a school
9 district or area education agency obtain an independent
10 appraisal of property which the district or agency wishes to
11 sell, lease, or otherwise dispose of and the requirement that
12 the property be sold through a public bid process.

13 The bill takes effect upon enactment.

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HOUSE FILE 405

H-1162

1 Amend House File 405 as follows:

2 1. Page 2, by striking lines 9 through 12 and
3 inserting the following:

4 "Before the board of directors may sell, lease, or
5 dispose of any property belonging to the school
6 district ~~it~~ the board shall comply with the
7 requirements set forth in this section and sections
8 297.15 to through 297.20 and sections-297.23-and
9 297.24. Any-real-estate-proposed-to".

By COMMITTEE ON EDUCATION
GRIES of Crawford, Chairperson

H-1162 FILED MARCH 11, 1997

With draw 3-18-97
(P. 641)

HOUSE FILE 405

H-1199

1 Amend House File 405 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."

By DOLECHECK of Ringgold

H-1199 FILED MARCH 17, 1997

Adopted
3-18-97 (p. 641)

HOUSE FILE 405
BY BARRY

(COMPANION TO LSB 2300SS BY
BOETTGER)

(As Amended and Passed by the House, March 18, 1997)

Passed House, Date 4-21-97 (P.1372)
Vote: Ayes 99 Nays 0

Passed Senate, Date 4-7-97 (P.978)
Vote: Ayes 44 Nays 0

Approved May 26, 1997
(P.1381)

Passed 4-23-97
Vote 49-0

A BILL FOR

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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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House Amendments _____

SENATE AMENDMENT TO HOUSE FILE 405

H-1584

1 Amend House File 405, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 2, line 23, by striking the word "real".
4 2. Page 2, line 27, by inserting after the word
5 "resolution." the following: "The notice shall also
6 describe the property. A locally known address for
7 real property may be substituted for a legal
8 description of real property contained in the
9 resolution."

RECEIVED FROM THE SENATE

H-1584 FILED APRIL 8, 1997

House Concurred 4/21/97 (P.1372)

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.~~ If the real property contains
3 less than two acres, is located outside of a city, is not
4 adjacent to a city, and was previously used as a schoolhouse
5 site, the procedure contained in sections 297.15 through
6 297.20 shall be followed in lieu of this section.

7 Proceeds from the sale or disposition of real property
8 shall be placed in the physical plant and equipment levy fund.
9 Proceeds from the sale or disposition of property other than
10 real property shall be placed in the general fund. Proceeds
11 from the lease of real or other property shall be placed in
12 the general fund.

13 ~~Before the board of directors may sell, lease or dispose of~~
14 ~~any property belonging to the school district it shall comply~~
15 ~~with the requirements set forth in sections 297.15 to 297.20~~
16 ~~and sections 297.23 and 297.24. Any real estate proposed to~~
17 ~~be sold shall be appraised by three disinterested freeholders~~
18 ~~residing in the school district and appointed by the chief~~
19 ~~judge of the judicial district of the county in which said~~
20 ~~real estate is located from the list of compensation~~
21 ~~commissioners.~~

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

34 2. The board of directors of a school district may sell,
35 lease, exchange, give, or grant, and accept any interest in

1 real property to, with, or from a county, municipal
2 corporation, school district, township, or area education
3 agency if the real property is within the jurisdiction of both
4 the grantor and grantee. ~~In this case sections 297.15 to~~
5 ~~297.20, sections 297.23 and 297.24, and appraisal requirements~~
6 ~~of this section do not apply to the transaction.~~

7 The board of directors of a school district may lease a
8 portion of an existing school building in which the remaining
9 portion of the building will be used for school purposes for a
10 period of not to exceed five years. The lease may be renewed
11 at the option of the board. ~~Sections 297.15 to 297.20,~~
12 ~~sections 297.23 and 297.24, and the appraisal requirements~~ The
13 notice and public hearing requirements of subsection 1 of this
14 section do not apply to the lease of a portion of an existing
15 school building. A school district shall pay out of the
16 revenue from a lease to the state of Iowa, and to the city,
17 school district and any other political subdivision authorized
18 to levy taxes, an amount as determined by this section. The
19 amount shall be determined by applying the annual tax rate of
20 the taxing district to the assessed value of the portion of
21 the building leased, prorated for the term of the lease during
22 the appropriate taxing period. The provisions of this section
23 relating to the payment of property tax because of leases
24 shall only apply to leases to private, for-profit entities
25 which lease a portion of a school building for a period of
26 thirty or more consecutive days.

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

1 Sec. 4. Section 297.25, Code 1997, is amended to read as
2 follows:

3 297.25 RULE OF CONSTRUCTION.

4 ~~Sections~~ Section 297.22 ~~to-297.24~~ shall be construed as
5 independent of the power vested in the electors by section
6 278.1, and as additional ~~thereto~~ to such power.

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

9 7. The board shall not lease, purchase, or construct a
10 facility or building before considering the leasing of a
11 vacant facility or building which is located in the county and
12 owned by a public school corporation. The board may lease a
13 facility or building owned by the public school corporation
14 with an option to purchase the facility or building in
15 compliance with ~~sections~~ section 297.22 ~~to-297.24~~. The lease
16 shall provide that the public school corporation may terminate
17 the lease if the corporation needs to use the facility or
18 building for school purposes. The public school corporation
19 shall notify the board at least thirty days before the
20 termination of the lease.

21 Sec. 6. Section 364.21, Code 1997, is amended to read as
22 follows:

23 364.21 USE OF VACANT SCHOOL PROPERTY.

24 A city shall not lease, purchase, or construct a building
25 before considering the leasing of a vacant facility or
26 building owned by a local public school corporation. The city
27 may lease a facility or building owned by a local public
28 school corporation with an option to purchase the facility or
29 building in compliance with ~~sections~~ section 297.22 ~~to-297.24~~.
30 The lease shall provide that the public school corporation may
31 terminate the lease if the corporation needs to use the
32 facility or building for school purposes. The public school
33 corporation shall notify the city at least thirty days before
34 the termination of the lease.

35 Sec. 7. Sections 297.21, 297.23, and 297.24, Code 1997,

1 are repealed.

2 Sec. 8. This Act, being deemed of immediate importance,
3 takes effect upon enactment.

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HOUSE AMENDMENT TO SENATE AMENDMENT TO
HOUSE FILE 405

S-3644

1 Amend the Senate amendment, H-1584, to House File
2 405, as amended, passed, and reprinted by the House,
3 as follows:
4 1. Page 1, by inserting after line 9 the
5 following:
6 " . Page 2, by inserting after line 33 the
7 following:
8 "However, property having a value of not more than
9 five thousand dollars, other than real property, may
10 be disposed of by any procedure which is adopted by
11 the board and each sale shall be published by at least
12 one insertion each week for two consecutive weeks in a
13 newspaper having general circulation in the
14 district."

RECEIVED FROM THE HOUSE

Senate Concurred 4/23/97 (P. 1380)

S-3644 FILED APRIL 21, 1997

HOUSE FILE 405

S-3241

1 Amend House File 405, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 2, line 23, by striking the word "real".
4 2. Page 2, line 27, by inserting after the word
5 "resolution." the following: "The notice shall also
6 describe the property. A locally known address for
7 real property may be substituted for a legal
8 description of real property contained in the
9 resolution."

By NANCY BOETTGER

Adopted 4-7-97 (p. 978)

S-3241 FILED MARCH 26, 1997

HOUSE FILE 405

H-1800

1 Amend the Senate amendment, H-1584, to House File
2 405, as amended, passed, and reprinted by the House,
3 as follows:
4 1. Page 1, by inserting after line 9 the
5 following:
6 " . Page 2, by inserting after line 33 the
7 following:
8 "However, property having a value of not more than
9 five thousand dollars, other than real property, may
10 be disposed of by any procedure which is adopted by
11 the board and each sale shall be published by at least
12 one insertion each week for two consecutive weeks in a
13 newspaper having general circulation in the
14 district."

By DOLECHECK of Ringgold

H-1800 FILED APRIL 17, 1997

Adopted 4-21-97 (P. 1372)

HOUSE FILE 405

AN ACT

RELATING TO THE SALE, LEASE, OR OTHER DISPOSITION OF
PROPERTY BELONGING TO A SCHOOL DISTRICT OR AREA
EDUCATION AGENCY AND PROVIDING AN IMMEDIATE EFFECTIVE
DATE.

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

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

7.20 EXECUTIVE ORDER -- USE OF VACANT SCHOOL PROPERTY.

The governor shall issue an executive order requiring all state agencies to consider the leasing of a vacant facility or building which is appropriately located and which is owned by a public school corporation before a state agency leases, purchases, or constructs a facility or building. The state agency may lease a facility or building owned by a public

school corporation with an option to purchase the facility or building in compliance with sections section 297.22 to-297-24. The lease shall provide that the public school corporation may terminate the lease if the corporation needs to use the facility or building for school purposes. The public school corporation shall notify the state agency at least thirty days before the termination of the lease.

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

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

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

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

1. The board of directors of a school district may sell, lease, or dispose of, in whole or in part, a schoolhouse, site, or other property belonging to the district. ~~However if the appraised value exceeds twenty-five thousand dollars, the board shall hold a public hearing before the board takes final action on the property.~~ If the real property contains less than two acres, is located outside of a city, is not adjacent to a city, and was previously used as a schoolhouse site, the procedure contained in sections 297.15 through 297.20 shall be followed in lieu of this section.

Proceeds from the sale or disposition of real property shall be placed in the physical plant and equipment levy fund. Proceeds from the sale or disposition of property other than

real property shall be placed in the general fund. Proceeds from the lease of real or other property shall be placed in the general fund.

~~Before the board of directors may sell, lease or dispose of any property belonging to the school district it shall comply with the requirements set forth in sections 297.15 to 297.20 and sections 297.23 and 297.24. Any real estate proposed to be sold shall be appraised by three disinterested freeholders residing in the school district and appointed by the chief judge of the judicial district of the county in which said real estate is located from the list of compensation commissioners.~~

Before the board of directors may sell, lease for a period in excess of one year, or dispose of any property belonging to the school, the board shall hold a public hearing on the proposal. The board shall set forth its proposal in a resolution and shall publish notice of the time and the place of the public hearing on the resolution. The notice shall also describe the property. A locally known address for real property may be substituted for a legal description of real property contained in the resolution. Notice of the time and place of the public hearing shall be published at least once not less than ten days but not more than twenty days prior to the date of the hearing in a newspaper of general circulation in the district. After the public hearing, the board may make a final determination on the proposal contained in the resolution.

However, property having a value of not more than five thousand dollars, other than real property, may be disposed of by any procedure which is adopted by the board and each sale shall be published by at least one insertion each week for two consecutive weeks in a newspaper having general circulation in the district.

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real property to, with, or from a county, municipal corporation, school district, township, or area education agency if the real property is within the jurisdiction of both the grantor and grantee. ~~In this case sections 297.15 to 297.20, sections 297.23 and 297.24, and appraisal requirements of this section do not apply to the transaction.~~

The board of directors of a school district may lease a portion of an existing school building in which the remaining portion of the building will be used for school purposes for a period of not to exceed five years. The lease may be renewed at the option of the board. ~~Sections 297.15 to 297.20, sections 297.23 and 297.24, and the appraisal requirements~~ The notice and public hearing requirements of subsection 1 of this section do not apply to the lease of a portion of an existing school building. A school district shall pay out of the revenue from a lease to the state of Iowa, and to the city, school district and any other political subdivision authorized to levy taxes, an amount as determined by this section. The amount shall be determined by applying the annual tax rate of the taxing district to the assessed value of the portion of the building leased, prorated for the term of the lease during the appropriate taxing period. The provisions of this section relating to the payment of property tax because of leases shall only apply to leases to private, for-profit entities which lease a portion of a school building for a period of thirty or more consecutive days.

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

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

297.25 RULE OF CONSTRUCTION.

Sections ~~Section~~ 297.22 to-297.24 shall be construed as independent of the power vested in the electors by section 278.1, and as additional thereto to such power.

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

7. The board shall not lease, purchase, or construct a facility or building before considering the leasing of a vacant facility or building which is located in the county and owned by a public school corporation. The board may lease a facility or building owned by the public school corporation with an option to purchase the facility or building in compliance with ~~sections section~~ 297.22 to-297.24. The lease shall provide that the public school corporation may terminate the lease if the corporation needs to use the facility or building for school purposes. The public school corporation shall notify the board at least thirty days before the termination of the lease.

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

364.21 USE OF VACANT SCHOOL PROPERTY.

A city shall not lease, purchase, or construct a building before considering the leasing of a vacant facility or building owned by a local public school corporation. The city may lease a facility or building owned by a local public school corporation with an option to purchase the facility or building in compliance with ~~sections section~~ 297.22 to-297.24. The lease shall provide that the public school corporation may terminate the lease if the corporation needs to use the facility or building for school purposes. The public school corporation shall notify the city at least thirty days before the termination of the lease.

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

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

RON J. CORBETT
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 405, Seventy-seventh General Assembly.

Approved  1997

ELIZABETH ISAACSON
Chief Clerk of the House

TERRY E. BRANSTAD
Governor