

House Study Bill 679 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON EDUCATION BILL BY
CHAIRPERSON WHEELER)

A BILL FOR

1 An Act relating to the powers of educational institutions,
2 political subdivisions, and certain other governmental
3 entities regarding the sale, lease, or transfer of property
4 for educational purposes.

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

1 Section 1. Section 218.94, subsection 1, Code 2024, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. *d.* Any sale, lease, or transfer of a
4 building belonging to the state training school shall be
5 subject to the same limitations prescribed for public and
6 nonpublic schools in section 280.36.

7 Sec. 2. Section 256E.7, subsection 1, paragraph g, Code
8 2024, is amended to read as follows:

9 *g.* Acquire from public or private sources real property for
10 use as a charter school or a facility directly related to the
11 operations of the charter school, subject to the provisions of
12 section 280.36.

13 Sec. 3. Section 260C.19, Code 2024, is amended to read as
14 follows:

15 **260C.19 Acquisition of sites and buildings — disposition.**

16 1. Boards of directors of merged areas may acquire sites
17 and erect and equip buildings for use by community colleges and
18 may contract indebtedness and issue bonds to raise funds for
19 such purposes.

20 2. The sale, lease, or transfer of a building owned by
21 a community college shall be subject to the limitations
22 prescribed in section 280.36.

23 Sec. 4. Section 262.17, Code 2024, is amended to read as
24 follows:

25 **262.17 Bidding in property.**

26 In case of a sale upon execution, the premises may be bid
27 off in the name of the board of regents, for the benefit of
28 the institution to which the loan belongs, subject to section
29 280.36.

30 Sec. 5. Section 262.18, Code 2024, is amended to read as
31 follows:

32 **262.18 Deeds in trust.**

33 Deeds for premises so acquired shall be held for the benefit
34 of the appropriate institution and such lands shall be subject
35 to lease or sale the same as other lands, subject to section

1 280.36.

2 Sec. 6. Section 279.41, Code 2024, is amended by adding the
3 following new subsection:

4 NEW SUBSECTION. 3. The disposition of the property under
5 this section is subject to section 280.36.

6 Sec. 7. NEW SECTION. **280.36 Political subdivision property**
7 **for sale, lease, or transfer.**

8 1. For purposes of this section:

9 *a. "Educational institution" means any of the following:*

10 (1) A public school or nonpublic school.

11 (2) An institution of higher learning under the control of
12 the state board of regents pursuant to chapter 262.

13 (3) A community college established under chapter 260C.

14 (4) The state training school established in chapter 233A.

15 (5) An accredited private institution as defined in section
16 256.183.

17 *b. "Political subdivision" includes a county, city,*
18 *township, school district, an institution governed by the*
19 *department of health and human services under chapter 218,*
20 *or the governing body of an educational institution, any*
21 *authority, agency, board, or commission of any such entity,*
22 *and a public body acting or purporting to act in a commercial,*
23 *business, economic development, or similar capacity for any*
24 *such entity.*

25 2. Except as otherwise provided in this section, a
26 political subdivision shall not adopt, enforce, or administer
27 an ordinance, policy, or resolution that prohibits property
28 sold, leased, or transferred by the political subdivision from
29 being used for any lawful educational purpose by an educational
30 institution.

31 3. A educational institution shall not sell or lease for
32 a period of more than one year any building belonging to the
33 educational institution unless the educational institution
34 has first provided an opportunity for other educational
35 institutions to bid for the purchase of the building.

1 4. A political subdivision shall not impose or enforce
2 any deed restriction that prohibits property sold, leased, or
3 transferred by the political subdivision from being used for
4 any lawful educational purpose by an educational institution.

5 5. If a political subdivision offers property of the
6 political subdivision for sale, lease, or transfer, the
7 political subdivision shall not refuse to sell, lease, or
8 transfer the property to an educational institution solely
9 because the educational institution intends to use the property
10 for an educational purpose. A deed restriction violating this
11 subsection shall be void and severable from the deed and the
12 deed may continue as valid.

13 Sec. 8. Section 297.15, subsection 1, Code 2024, is amended
14 to read as follows:

15 1. Any sale, lease, or transfer of real estate, owned
16 by a school district, containing less than two acres, and
17 situated wholly outside of a city, and not adjacent thereto,
18 and heretofore used as a schoolhouse site shall provide
19 an educational institution with the right of first refusal
20 as provided in section 280.36. If the real estate is not
21 purchased or leased by or transferred to an educational
22 institution, the real estate shall revert to the then owner
23 of the tract from which the same was taken, provided that
24 said owner of the tract last aforesaid shall, within the time
25 hereinafter prescribed, pay the value thereof to such school
26 district.

27 Sec. 9. Section 297.22, subsection 1, paragraph a, Code
28 2024, is amended to read as follows:

29 a. The Subject to section 280.36, the board of directors
30 of a school district may sell, lease, or dispose of, in whole
31 or in part, a schoolhouse, school site, or other property
32 belonging to the district. If the real property contains less
33 than two acres, is located outside of a city, is not adjacent
34 to a city, and was previously used as a schoolhouse site, the
35 procedure contained in sections 297.15 through 297.20 shall be

1 followed in lieu of [this section](#).

2 Sec. 10. Section 297.22, subsection 2, paragraph a, Code
3 2024, is amended to read as follows:

4 a. ~~The Subject to section 280.36,~~ the board of directors of
5 a school district may sell, lease, exchange, give, or grant,
6 and accept any interest in real property to, with, or from
7 a county, municipal corporation, school district, township,
8 or area education agency if the real property is within the
9 jurisdiction of both the grantor and grantee.

10 Sec. 11. Section 331.301, Code 2024, is amended by adding
11 the following new subsection:

12 NEW SUBSECTION. 23. a. Except as otherwise provided
13 in this subsection, a county shall not adopt, enforce, or
14 administer an ordinance, policy, or resolution that prohibits
15 property sold, leased, or transferred by the county from being
16 used for any lawful educational purpose by an educational
17 institution.

18 b. A county shall not adopt or enforce any deed restriction
19 that prohibits property sold, leased, or transferred by the
20 county from being used for any lawful educational purpose by an
21 educational institution.

22 c. If a county offers property of the county for sale,
23 lease, or rent, the county must first provide an opportunity
24 for an educational institution to bid for the purchase of the
25 property. A county shall not refuse to sell, lease, or rent
26 the property to an educational institution solely because the
27 educational institution intends to use the property for an
28 educational purpose.

29 d. For purposes of this subsection, "*educational*
30 *institution*" means the same as defined in section 280.36.

31 Sec. 12. Section 359.37, Code 2024, is amended by adding the
32 following new subsection:

33 NEW SUBSECTION. 3. a. Except as otherwise provided in this
34 subsection, a township shall not adopt, enforce, or administer
35 a policy or resolution that prohibits property sold, leased,

1 or transferred by the township from being used for any lawful
2 educational purpose by an educational institution.

3 *b.* A township shall not adopt or enforce any deed
4 restriction that prohibits property sold, leased, or
5 transferred by the township from being used for any lawful
6 educational purpose by an educational institution.

7 *c.* If a township offers property of the township for
8 sale, lease, or transfer, the township must first provide an
9 opportunity for an educational institution to bid for the
10 purchase of the property. A township shall not refuse to sell,
11 lease, or rent the property to an educational institution
12 solely because the educational institution intends to use the
13 property for an educational purpose.

14 *d.* For purposes of this subsection, "*educational*
15 *institution*" means the same as defined in section 280.36.

16 Sec. 13. Section 364.3, Code 2024, is amended by adding the
17 following new subsection:

18 NEW SUBSECTION. 18. *a.* Except as otherwise provided in
19 this subsection, a city shall not adopt, enforce, or administer
20 an ordinance, policy, or resolution that prohibits property
21 sold, leased, or transferred by the city from being used for
22 any lawful educational purpose by an educational institution.

23 *b.* A city shall not adopt or enforce any deed restriction
24 that prohibits property sold, leased, or transferred by the
25 city from being used for any lawful educational purpose by an
26 educational institution.

27 *c.* If a city offers property of the city for sale, lease,
28 or transfer, the city must first provide an opportunity for
29 an educational institution to bid for the purchase of the
30 property. A city shall not refuse to sell, lease, or rent
31 the property to an educational institution solely because the
32 educational institution intends to use the property for an
33 educational purpose.

34 *d.* For purposes of this subsection, "*educational*
35 *institution*" means the same as defined in section 280.36.

1

EXPLANATION

2

The inclusion of this explanation does not constitute agreement with
the explanation's substance by the members of the general assembly.

3

4 This bill relates to the power of political subdivisions
5 regarding the sale, lease, or transfer of property for
6 educational purposes. A political subdivision includes
7 a county, city, township, school district, an institution
8 governed by the department of health and human services under
9 Code chapter 218, or the governing body of an educational
10 institution, as defined in the bill, including any authority,
11 agency, board, or commission of any such entity. Political
12 subdivisions are prohibited from adopting and enforcing an
13 ordinance, policy, or resolution prohibiting the sale, lease,
14 or transfer of property to an educational institution solely
15 because the educational institution intends to use the property
16 for a lawful educational purpose. A political subdivision
17 offering property for sale, lease, or transfer is required
18 to provide an educational institution with a right of first
19 refusal.

20 The bill provides an educational institution the right of
21 first refusal of any real estate of less than two acres outside
22 the limits of a city that is owned by a school district before
23 the real estate reverts to the owner of the tract from whom it
24 was taken.

25 The bill prohibits a county, city, or township from adopting
26 or enforcing a deed restriction that prohibits property sold,
27 leased, or transferred by the political subdivision from being
28 used for any lawful educational purpose by an educational
29 institution.