

**Senate Study Bill 3112 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
LOCAL GOVERNMENT BILL BY  
CHAIRPERSON GREEN)

**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.