

**CHAPTER 184**  
**SALE OR LEASE OF SCHOOL PROPERTY**  
*H.F. 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.

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

Approved May 26, 1997

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## CHAPTER 185

### DEFERRED COMPENSATION AND PHASED RETIREMENT — INVESTMENTS AND OTHER PROVISIONS

H.F. 540

**AN ACT** relating to personnel procedures and investment policy requirements for state government employees.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 12B.10, subsection 6, Code 1997, is amended by adding the following new paragraph:

**NEW PARAGRAPH.** h. Investments under the deferred compensation plan established by the executive council pursuant to section 509A.12.

Sec. 2. Section 12B.10A, subsection 6, Code 1997, is amended by adding the following new paragraph:

**NEW PARAGRAPH.** h. The deferred compensation plan established by the executive council pursuant to section 509A.12.

Sec. 3. Section 12B.10B, subsection 3, Code 1997, is amended by adding the following new paragraph:

**NEW PARAGRAPH.** h. The deferred compensation plan established by the executive council pursuant to section 509A.12.

Sec. 4. Section 12B.10C, Code 1997, is amended by adding the following new subsection:

**NEW SUBSECTION.** 7. The deferred compensation plan established by the executive council pursuant to section 509A.12.

Sec. 5. Section 12C.1, subsection 1, Code 1997, is amended to read as follows:

1. All funds held ~~in the hands of~~ by the following officers or institutions shall be deposited in one or more depositories first approved by the appropriate governing body as indicated: For the treasurer of state, by the executive council; for judicial officers and court employees, by the supreme court; for the county treasurer, recorder, auditor, and sheriff, by the board of supervisors; for the city treasurer or other designated financial officer of a city, by the city council; for the county public hospital or merged area hospital, by the board of hospital trustees; for a memorial hospital, by the memorial hospital commission; for a school corporation, by the board of school directors; for a city utility or combined utility system established under chapter 388, by the utility board; for a regional library established under chapter 256, by the regional board of library trustees; and for an electric power agency as defined