

CHAPTER 50**SCHOOLS AND SCHOOL DISTRICTS —
ACCREDITATION AND REORGANIZATION***S.F. 360*

AN ACT relating to the accreditation of school districts and nonpublic schools and the reorganization of school districts.

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

Section 1. Section 256.11, subsection 10, paragraph b, subparagraph (5), Code 2009, is amended to read as follows:

(5) After visiting the school district or nonpublic school, the accreditation committee shall determine whether the accreditation standards have been met and shall make a report to the director, together with a recommendation whether the school district or nonpublic school shall remain accredited. ~~The accreditation committee shall report strengths and weaknesses, if any, for each standard and shall advise the school or school district of available resources and technical assistance to further enhance strengths and improve areas of weakness. A school district or nonpublic school shall be provided with the opportunity to respond to the accreditation committee's report. If the recommendation is that a school district or nonpublic school not remain accredited, the accreditation committee shall provide the school district or nonpublic school with a report that includes a list of all of the deficiencies, a plan prescribing the actions that must be taken to correct the deficiencies, and a deadline date for completion of the prescribed actions. The accreditation committee shall advise the school district or nonpublic school of available resources and technical assistance to improve areas of weakness. The school district or nonpublic school shall be provided with the opportunity to respond to the accreditation committee's report. The director shall review the accreditation committee's report and the response of the school district or nonpublic school and shall provide a report to the state board along with copies of the accreditation committee's report, the response to the accreditation committee's report, and other pertinent information. At the request of the school district or nonpublic school, the school district or nonpublic school may appear before the state board and address the state board directly regarding any part of the plan specified in the report. The state board may modify the plan. During the period of time specified in the plan for its implementation by a school district or nonpublic school, the school district or school shall remain accredited.~~

Sec. 2. Section 256.11, subsections 11 and 12, Code 2009, are amended by striking the subsections and inserting in lieu thereof the following:

11. The accreditation committee shall revisit the school district or nonpublic school and shall determine whether the deficiencies in the standards have been corrected.

a. The accreditation team shall make a report and recommendation to the director and the state board. The committee recommendation shall specify whether the school district or nonpublic school shall remain accredited. For a school district, the committee report and recommendation shall also specify under what conditions the district may remain accredited. The conditions may include but are not limited to providing temporary oversight authority, operational authority, or both oversight and operational authority to the director and the state board for some or all aspects of the school district in order to bring the school district into compliance with minimum standards.

b. The state board shall review the report and recommendation, may request additional information, and shall determine whether the deficiencies have been corrected.

c. If the deficiencies have not been corrected, and the conditional accreditation alternatives contained in the report are not mutually acceptable to the state board and the local board, the state board shall merge the territory of the school district with one or more contiguous school districts at the end of the school year. The state board may place a district under receivership

for the remainder of the school year. The receivership shall be under the direct supervision and authority of the area education agency in which the district is located. The decision of whether to merge the school district and require payment of tuition for the district's students or to place the district under receivership shall be based upon a determination by the state board of the best interests of the students, parents, residents of the community, teachers, administrators, and school district board members and upon the recommendations of the accreditation committee and the director.

d. In the case of a nonpublic school, if the deficiencies have not been corrected, the state board may declare a nonpublic school to be nonaccredited. The removal of accreditation shall take effect on the date established by the resolution of the state board, which shall be no later than the end of the school year in which the nonpublic school is declared to be nonaccredited.

12. If the state board removes accreditation from a school district and merges the territory of the school district with one or more contiguous school districts, the district whose accreditation is removed ceases to exist as a school corporation on the effective date set by the state board for removal of accreditation. Notwithstanding any other provision of law, the contiguous school districts receiving territory of the former school district whose accreditation was removed are not considered successor school corporations of the former district.

a. Division of assets and liabilities of the school district whose accreditation was removed shall be as provided in sections 275.29 through 275.31.

(1) If one or more of the contiguous school districts receiving assets and liabilities of the school district whose accreditation was removed utilizes the equalization levy, only that territory in the school district imposing the equalization levy that comprises territory of the former school district shall be taxed.

(2) Income surtax revenue and revenues generated by property taxes shall be distributed proportionately based on taxable value of the territory received by one or more school districts contiguous to the former school district whose accreditation was removed.

(3) Revenues that are based on student enrollment shall be distributed based on percentages of students of the school district whose accreditation was removed who now reside in territory received by one or more school districts contiguous to the school district whose accreditation was removed.

b. Prior to the effective date set by the state board for removal of accreditation, the school district whose accreditation is to be removed shall remain responsible for, and may retain such authority as is necessary to complete, all of the following:

(1) Execution of one or more quitclaim deeds, in fulfillment of the merger of territory received by one or more contiguous school districts from the former school district whose accreditation was removed.

(2) Preparation of and payment for a final audit of all the district's financial accounts.

(3) Preparation and certification of a final certified annual report to the department.

c. The provisions of section 275.57 apply when removal of accreditation from a school district and merger of its territory with a contiguous school district that is currently divided into director districts leads to the formation of new director districts.

Sec. 3. Section 275.53, Code 2009, is amended to read as follows:

275.53 DISSOLUTION PROPOSAL.

1. The commission shall send a copy of its dissolution proposal or shall inform the board that it cannot agree upon a dissolution proposal not later than one year following the date of the organizational meeting of the commission. The commission shall also send a copy of the dissolution proposal ~~by registered mail~~ to the boards of directors of all school districts to which area of the affected school district will be attached. If the board of a district to which area of the affected school district will be attached objects to the attachment, within ten days following receipt of the dissolution proposal the board shall send its objections in writing to the commission. The commission may consider the objections and may modify the dissolution proposal. If the dissolution proposal is modified, the commission shall notify ~~by registered mail~~ the boards of directors of all school districts to which area of the affected school district will be attached.

2. Notifications required under subsection 1 shall be delivered using one of the following methods:

- a. Mail bearing a United States postal service postmark.
- b. Hand delivery.
- c. Facsimile transmission.
- d. Electronic delivery.

3. If the commission cannot agree upon a dissolution proposal prior to the expiration of its term, the board may appoint a new commission.

Sec. 4. Section 275.54, Code 2009, is amended to read as follows:
275.54 HEARING.

1. Within ten days following the filing of the dissolution proposal with the board, the board shall fix a date for a hearing on the proposal which shall not be more than sixty days after the dissolution petition was filed with the board. The board shall publish notice of the date, time, and location of the hearing at least ten days prior to the date of the hearing by one publication in a newspaper in general circulation in the district. The notice shall include the content of the dissolution proposal. A person residing or owning land in the school district may present evidence and arguments at the hearing. The president of the board shall preside at the hearing. The board shall review testimony from the hearing and shall adopt or amend and adopt the dissolution proposal.

2. The board shall notify by registered mail the boards of directors of all school districts to which area of the affected school district will be attached and the director of the department of education of the contents of the dissolution proposal adopted by the board. The notification shall be delivered using one of the following methods:

- a. Mail bearing a United States postal service postmark.
- b. Hand delivery.
- c. Facsimile transmission.
- d. Electronic delivery.

3. If the board of a district to which area of the affected school district will be attached objects to the attachment, that portion of the dissolution proposal will not be included in the proposal voted upon under section 275.55 and the director of the department of education shall attach the area to a contiguous school district.

4. If the board of a district to which area of the affected school district will be attached objects to the division of assets and liabilities contained in the dissolution proposal, section 275.30 applies for the division of assets and liabilities to that district the matter shall be decided by a panel of disinterested arbitrators. The panel shall consist of one arbitrator selected by each affected district objecting to the provisions of the dissolution proposal, one selected by each affected district in favor of the provisions of the dissolution proposal, and one selected by each dissolving district. If the number of arbitrators selected is even, a disinterested arbitrator shall be selected by the administrator of the area education agency to which the dissolving district or districts belong. The decision of the arbitrators shall be made in writing and filed with the secretary of the new corporation. A party to the proceedings may appeal the decision to the district court by serving notice on the secretary of the new school corporation within twenty days after the decision is filed. The appeal shall be tried in equity and a decree entered determining the entire matter, including the levy, collection, and distribution of any necessary taxes.

5. If a dissolution proposal adopted by a board contains provisions that ninety-five percent or more of the taxable valuation of the dissolving district would be assumed and attached to a single school district, the dissolving school district shall cease further proceedings to dissolve and shall comply with reorganization procedures specified in this chapter.

Sec. 5. Section 275.55, subsections 1 and 2, Code 2009, are amended to read as follows:

1. After the final hearing on the dissolution proposal, the board of the school district shall submit the proposition to the voters at an the next election held on a date specified in section

39.2, subsection 4, paragraph "c". However, the date of the final hearing on the dissolution proposal must be not less than thirty nor more than sixty days before the election. The proposition submitted to the voters residing in the school district shall describe each separate area to be attached to a contiguous school district and shall name the school district to which it will be attached. In addition to the description, a map may be included in the summary of the question on the ballot.

2. The board shall give written notice of the ~~proposed date of the~~ election to the county commissioner of elections. The county commissioner of elections shall give notice of the election by one publication in the same newspaper in which the previous notice was published about the hearing, which publication shall not be less than four nor more than twenty days prior to the election.

Approved April 9, 2009

CHAPTER 51
CIVIL ACTIONS AND
PROCEEDINGS AFFECTING REAL ESTATE

S.F. 364

AN ACT relating to civil actions including certain limitations on actions, judgments, and executions and including actions relating to the foreclosure of real estate mortgages, and providing effective date and applicability provisions.

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

Section 1. NEW SECTION. 614.18A JUDGMENT AND DECREE AFFECTING REAL PROPERTY.

In an action in which the court had jurisdiction of the aggrieved party, a motion or other legal proceeding attacking the validity of the judgment or decree based on noncompliance with the requirements of rule of civil procedure 1.972 shall not affect the interests of any purchaser or mortgagee for value of the real property involved unless the motion or proceeding is initiated within thirty days after the recording of the sheriff's deed or within ninety days after the filing of a judgment or decree not providing for the issuance of a sheriff's deed.

Sec. 2. Section 615.1, subsection 1, Code 2009, is amended to read as follows:

1. After the expiration of a period of two years from the date of entry of judgment, exclusive of any time during which execution on the judgment was stayed pending a bankruptcy action or order of court, a judgment entered in either any of the following actions shall be null and void, all liens shall be extinguished, and no execution shall be issued for any purpose other than except as a setoff or counterclaim:

a. (1) An For a real estate mortgage, deed of trust, or real estate contract executed prior to July 1, 2009, an action for the foreclosure of a the real estate mortgage, deed of trust, or real estate contract upon property which at the time of judgment the foreclosure is commenced is either used for an agricultural purpose as defined in section 535.13 or as a one-family or two-family dwelling which is the residence of the mortgagor.

(2) For a real estate mortgage, deed of trust, or real estate contract executed on or after July 1, 2009, an action for the foreclosure of the real estate mortgage, deed of trust, or real estate