

297.22 Power to sell, lease, or dispose of property — tax.

1. *a.* The board of directors of a school district may sell, lease, or dispose of, in whole or in part, a schoolhouse, school site, or other property belonging to the district. 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](#).

b. (1) Proceeds from the sale or disposition of real or other property shall be deposited into the fund which was used to account for the acquisition of the property. If the district is unable to determine which fund was used to account for the acquisition of the property or if the fund no longer exists in the district, the proceeds from the sale or disposition of real property shall be placed in the physical plant and equipment levy fund, and the 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.

(2) Notwithstanding subparagraph (1), the board of directors of a school district may take action to deposit the proceeds from the sale or disposition of real or other property in any account maintained by the school district after holding a public hearing on the proposed action of the board. The board shall publish notice of the time and place of the public hearing in the same manner as required in [section 24.9](#).

c. 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. The board shall publish notice of the time and place of the public hearing in the same manner as required in [section 24.9](#). After the public hearing, the board may make a final determination on the proposal contained in the resolution.

d. However, property having a value of not more than twenty-five thousand dollars, other than real property, may be sold or disposed of by any procedure which is adopted by the board. Each such sale or disposal shall be published in a newspaper having general circulation in the district.

2. *a.* 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.

b. The board of directors of a school district may lease a portion of an existing school building or lease a portion of existing school property. The lease may be renewed at the option of the board. 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, but shall not apply to property or equipment leased as part of a project designed to generate electricity for the school district.

3. The provisions in [subsections 1 and 2](#) 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 student-constructed structures, by any procedure which is adopted by the board. The proceeds from disposition of a student-constructed structure shall be placed in the school district's student construction fund. Moneys remaining in the school district's

student construction fund after the board discontinues the student construction program shall first be used to reimburse the fund or funds from which the student construction program's start-up costs were paid and any moneys remaining after such reimbursement shall be transferred by board resolution to the school district's general fund.

[C27, 31, 35, §4385-a1; C39, §**4385.1**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §297.22; 81 Acts, ch 93, §1 – 4]

85 Acts, ch 8, §1; 86 Acts, ch 1223, §1 – 3; 90 Acts, ch 1018, §1; 94 Acts, ch 1029, §22; 94 Acts, ch 1089, §2; 97 Acts, ch 184, §3; 98 Acts, ch 1100, §37; 2008 Acts, ch 1148, §2; 2009 Acts, ch 10, §2, 4; 2014 Acts, ch 1013, §21, 22; 2018 Acts, ch 1112, §12, 16, 17; 2021 Acts, ch 25, §9

Referred to in §7.20, 273.3, 278.1, 297.25, 331.361, 364.21

Property for defense projects, §274.39 – 274.45

2018 amendment to subsection 2, paragraph b, applies to school budget years beginning on or after July 1, 2018; 2018 Acts, ch 1112, §17