

SCHOOL PROPERTIES DISPOSAL

The Board believes that the efficient administration of the District requires the disposition of property and goods no longer necessary for the maintenance of the educational program or the operation of the District.

The Board recognizes that most unused property of the District has value and that it may be practical to retain such property for a period of time. Once property is no longer needed for school purposes currently or in the future, it should be slated for disposal at the Superintendent's discretion. State law governs the retention and method of disposal of the Board's property. Therefore, the Board follows the procedures required by the various statutes governing the disposal of real or personal property.

The Board follows the procedures set forth in State law for the disposal of real or personal property at the minimum dollar value set forth in the statute on the date the Board decides to dispose of the property. The Board is first required to sell its real property to **high-performing community schools as defined by State law and any newly established community schools implementing a community school model that has a track record of high quality academic performance as determined by the Ohio Department of Education (ODE). If a high-performing or newly established ODE-defined community school is not interested in buying the property, the Board is then required to sell its real property** to start-up community schools operating in the District and college-preparatory boarding schools located within the territory of the District. If the community school or college-preparatory boarding school is not interested in buying the property, the Board can sell its real or personal property at a public auction and follow specific statutory requirements if the property exceeds \$10,000 in value. If this amount is changed by the legislature, the Board and administration's responsibility changes automatically to reflect the new minimum statutory dollar value.

The Board directs the periodic review of all District property and authorizes the disposition by sale, donation, trade or discard of any property not required for school purposes.

The District complies with State law regarding the sale or lease of unused District property to **high-performing community schools**, community schools and college-preparatory boarding schools.

Disposal of Property Valued at Less Than the Dollar Value Set Forth in State Law

For the disposal of property that is not governed by the Ohio Revised Code or administrative regulations, the administration is required to follow these procedures:

1. The Superintendent determines that the value of the property is less than the value set forth in State law. The property is valued pursuant to a reasonable method as determined by the Superintendent.

2. The Board is notified when real or personal property is no longer needed for school purposes and directs that the property be sold.
3. The Superintendent sells the property to a start-up community school or by bids, general sale, negotiated sale or by trade as determined by the Superintendent or the Board on an individual basis.

[Adoption date:]

LEGAL REFS.: ORC 131.09
3313.17; 3313.37; 3313.40; 3313.41; 3313.411; **3313.413**
3314.051
5705.10

CROSS REF.: FL, Retirement of Facilities

NOTE: Senate Bill (SB) 316 (12) added language to the House Bill (HB) 153 (11) (budget bill) language below. SB 316 added boards of trustees of college-preparatory boarding schools to the right of first refusal and sale/lease requirements below. SB 316 also adds that any appraisals required by State law must be not more than one year old. The SB 316 sale/lease provisions also require that intent to purchase or lease the property must be provided to the treasurer. Only qualified parties who have provided intent to purchase or lease to the treasurer may participate in any resulting auctions or lotteries.

Finally, SB 316 permits, but does not require, boards to offer unused school facilities for sale or lease to the governing authorities of community schools with plans, stipulated in their contracts entered into under State law, to either relocate their operations to the territory of the district or to add facilities to be located within the territory of the district.

HB 153 makes changes to the property disposal requirements regarding community schools and college-preparatory boarding schools. First, HB 153 removes the requirement that real property be suitable for use as a classroom space in order for the districts to be required to offer it to a community school and college-preparatory boarding schools within the district prior to selling it under other applicable law.

*If the district decides to dispose of real property that exceeds \$10,000 in value, the district must first offer to sell it to **high-performing community schools as defined by State law and any newly established community schools implementing a community school model that has a track record of high quality academic performance as determined by the Ohio Department of Education (ODE).** If a **high-performing or newly established ODE-defined community school is not interested in buying the property within 60 days of the offer, the Board is then required to sell its real property to community schools and college-preparatory boarding schools within the district for fair market value, as determined by a property appraisal not more than one year old.** If more than one community school or college-preparatory boarding school accepts the offer within 60 days, the district will sell it to the community school or college-preparatory boarding school whose offer was received first in time. If no community schools or college-preparatory boarding schools accept the offer within 60 days, the district may dispose of the real property in compliance with State law.*

HB 64 (15) prohibits community schools and college-preparatory boarding schools that have purchased property from districts from, within five years, selling any property purchased under the requirement that districts first offer unused school facilities to them. The provision goes on to add the exception that such property may be sold within five years, only if it is sold or transferred to another community school or college-preparatory boarding school located within the territory of the district that initially made the sale.

*HB 153 adds new requirements in regards to “unused school facilities.” Unused school facilities are facilities that have been used by the district for school operations since July 1, 1998, but have not been used in that capacity for two years. **HB 64 (15) adds requirements for the offer of unused school facilities to high-performing community schools.** Districts **also** must offer these facilities to community schools and college-preparatory boarding schools within the district for sale or lease.*

If, within 60 days, a community school or college-preparatory boarding school within the district accepts the offer for sale, the district must sell the real property to the community school or college-preparatory boarding school for fair market value. If, within 60 days, more than one community school or college-preparatory boarding school accepts the offer for sale by notifying the treasurer, the district must hold a public auction for the real property, but it is important to note that the district is not required to accept a bid for less than the appraised fair market value of the property, as determined by a property appraisal that is not more than one year old. Only qualified parties who notified the treasurer of their intent to purchase the property are eligible to bid at auction.

If, within 60 days, a community school or college-preparatory boarding school accepts the offer to lease the real property, the district must lease to the community school or college-preparatory boarding school for the fair market value of a lease on the real property. Fair market value is determined by a property appraisal that is not more than one year old. If, within 60 days, two or more community schools or college-preparatory boarding schools within the district send a written intention to lease the property to the treasurer, the district must conduct a lottery to determine to which community school or college-preparatory boarding school the district will award the lease. Only qualified parties who have notified the treasurer of their intent to lease the property will be eligible for participation in the lottery. It is also important to note that districts that have outstanding leases with entities other than community schools or college-preparatory boarding schools may renew those leases. Nothing in the statute affects current lease agreements between the district and other entities.

If, within 60 days, no community school or college-preparatory boarding school accepts the offer to lease or buy the property, the district may offer it to any other entity, in accordance with State law. SB 316 extends the list of eligible entities to include nonprofit institutions of higher education that have certificates of authorization under State law and governing authorities of chartered nonpublic schools.

HB 59 (13) (budget bill) added language requiring proceeds from the sale of real property disposed of under Ohio Revised Code Section 3313.41 to be used to retire any debt incurred in connection with that real property. Excess proceeds may be paid into the Capital and Maintenance Fund and used for costs of nonoperating capital expenses related to technology infrastructure and equipment to be used for instruction and assessment. HB 483 (14) adds another option for handling this revenue. Boards may choose to use the money for payment into a special fund for the construction or acquisition of permanent improvements. This provision applies to proceeds received on or after September 29, 2013.