

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. Property and goods purchased with federal funds also are subject to the disposal requirements outlined in the Uniform Guidance issued by the U.S. Office of **Management and Budget and Management**. 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 and Federal 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 required to offer its real property for sale to all community schools, ~~and~~ college-preparatory boarding schools, **STEM and STEAM schools** for the period of time set forth in law. High-performing community schools as defined by State law, are given first priority. If a high-performing community school is not interested in buying the property, the Board ~~will~~ then proceeds with offers to purchase from other start-up community schools operating in the District, ~~and~~ college-preparatory boarding schools, **STEM and STEAM schools** located within the territory of the District. If no community school, ~~or~~ college-preparatory boarding school, **STEM or STEAM school** is interested in buying the property, the Board ~~can~~ **may** sell its real or personal property at a public auction, ~~and~~ following specific statutory requirements if the property exceeds \$10,000 in value. If this ~~amount~~ **statutory threshold** 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~~ **school facilities** to high-performing community schools, community schools ~~and~~, college-preparatory boarding schools, **STEM and STEAM 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 Federal law, 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 and Federal law when applicable. 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
2 C.F.R. Part 200

CROSS REFS.: DECA, Administration of Federal Grant Funds
FL, Retirement of Facilities

NOTE: Senate Bill (SB) 316 (2012) added language to the House Bill (HB) 153 (2011) (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, and 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. 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.

~~HB 438 (2016) makes additional changes and streamlines the process by which a school district board of education must offer real property and unused facilities for sale or lease to the governing authorities of community schools.~~

If the district decides to dispose of real property that exceeds \$10,000 in value, the district must offer to sell it to all community schools, ~~and~~ college-preparatory boarding schools, **STEM and STEAM schools in the district's territory** for one period of 60 days. No later than 60 days after the district board makes the offer, interested governing authorities ~~and~~, boards of trustees **or governing bodies** must notify the district treasurer of the intent to purchase. High-performing community schools as defined by State law are given first priority. If more than one governing authority of a high-performing community school notifies the district treasurer of its intention to purchase the property, the board must conduct a public auction. Only the schools that notified the district treasurer are eligible to bid at the auction. If a high-performing community school is not interested in buying the property within 60 days of the offer, the Board is then required to proceed with offers from all other start-up community schools ~~and~~, college-preparatory boarding schools, **STEM or STEAM schools** within the district's territory. The sale must be 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, **STEM or STEAM school** notifies the district treasurer of its intention to purchase within 60 days, the district will conduct a public auction. Only entities that notified the district treasurer of ~~its~~ **their** intent to purchase are eligible to bid at the auction. If no community schools, ~~or~~ college-preparatory boarding schools, **STEM or STEAM schools** notify the district treasurer of ~~its~~ **their** intention to purchase the property 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.

There are specific requirements ~~in regards to~~ **regarding** "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 all community schools, ~~and~~ college-preparatory boarding schools, **STEM and STEAM schools** within the district for sale or lease for one period of 60 days. First priority is to be given to the governing authorities of high-performing community schools that are located within the territory of the district.

*If, within 60 days, a high-performing community school notifies the district treasurer in writing of the intention to purchase the district must sell the real property to that community school for fair market value. If, within 60 days, more than one high-performing community school states its intention to purchase 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 no high-performing community schools are interested in the property, the district must then proceed with offers from other start-up community schools, ~~and~~ college-preparatory boarding schools, **STEM and STEAM schools within the district's territory.***

*If, within 60 days, a high-performing community school notifies the district treasurer of its intention to lease unused facilities, the district must lease to that community 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 more than one high-performing community school within the district sends a written intention to lease the property to the treasurer, the district must conduct a lottery to determine to which community 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. If no high-performing community schools are interested in the property, the district treasurer must then proceed with offers from other start-up community schools, ~~and~~ college-preparatory boarding schools, **STEM and STEAM schools within the district's territory.** It is 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, **STEM or STEAM 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.~~