

1 INTERIM STUDY PROPOSAL 2011-070

2 State of Arkansas

As Engrossed: H3/11/11

3 88th General Assembly

A Bill

4 Regular Session, 2011

HOUSE BILL 1892

5
6 By: Representative Linck

7 Filed with: Interim House Committee on Education
8 pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

9
10 AN ACT TO ESTABLISH PROCEDURES FOR THE PRESERVATION
11 AND DISPOSAL OF SCHOOL BUILDINGS IN SCHOOL DISTRICTS
12 THAT HAVE BEEN CONSOLIDATED; AND FOR OTHER PURPOSES.

Subtitle

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16 TO ALLOW SCHOOL DISTRICTS THAT HAVE BEEN
17 CONSOLIDATED TO SELL, PRESERVE, LEASE, OR
18 DONATE REAL PROPERTY THAT IS NO LONGER
19 UTILIZED BY THE SCHOOL DISTRICTS.

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21
22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

23
24 SECTION 1. DO NOT CODIFY.

25 (a) Real property belonging to a school district that is consolidated
26 can cause a significant loss of investment to the state and the communities
27 where the real property is located.

28 (b) It is in the best interest of the state and the communities where
29 the real property is located to ensure the real property is utilized.

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31 SECTION 2. Arkansas Code § 6-13-111 is amended to read as follows:
32 6-13-111. Consolidated school districts.

33 (a) As used in this section, "near fair market value" means ninety
34 percent (90%) or more of the appraised value, as appraised by a professional
35 appraiser within six (6) months of the sale of the buildings or real
36 property.

1 ~~(a)~~(b) A school district in the State of Arkansas that is consolidated
2 with one (1) or more school districts may:

3 (1) Sell buildings or ~~lands~~ real property owned by the school
4 district that ~~are~~ is no longer used by the *school district at near fair*
5 market value; ~~or~~

6 (2) Preserve buildings or ~~lands~~ real property owned by the
7 school district that ~~are~~ is no longer used by the school district;

8 (3) Lease buildings or real property owned by the school
9 district that is no longer used by the school district; or

10 (4) Donate buildings or real property owned by the school
11 district that is no longer used by the school district.

12 ~~(b)~~(c) If the school district sells or otherwise disposes of a
13 building or ~~land~~ real property to a person or entity under this section,
14 then:

15 (1) The school district shall have the right of first refusal to
16 purchase or otherwise reacquire the building or real property if the person
17 or entity decides to sell the building or real property; and

18 (2) The sale price of the building or real property when
19 repurchased or otherwise reacquired by the school district shall not:

20 (A) Exceed the price that the person or entity paid the
21 school district for the building or real property; and

22 (B) Include compensation for any improvements to the
23 building or real property.

24
25 SECTION 3. Arkansas Code § 6-21-108 is amended to read as follows:

26 6-21-108. School districts authorized to own and convey real property
27 -- *Donation of property for educational purposes ~~only~~ and beneficial*
28 educational services only.

29 (a) In addition to the authority of school districts under § 6-13-620
30 ~~to have the care and custody of the schoolhouse, grounds, and other property~~
31 ~~belonging to the school district, the~~ , a school board of directors ~~for any~~
32 ~~Arkansas school district shall be authorized and empowered to~~ may acquire and
33 hold real estate, tenements, hereditaments, and other real property ~~as is~~
34 ~~necessary and proper for the purposes of the education of pupils~~ students of
35 ~~the school district and the administration of the schools of the school~~
36 district.

1 (b)(1) If the board of directors for a school district determines that
2 any real estate property owned or controlled by the school district is not
3 required for the present or ~~anticipated~~ future needs of the school district
4 ~~and that the donation thereof of the real property would serve a beneficial~~
5 ~~educational service for the pupils citizens of the school district,~~ then the
6 school district ~~is also empowered and authorized to~~ may donate real property
7 ~~or any part thereof~~ to a publicly supported institution of higher education,
8 a technical institute, a community college, a not-for-profit organization, a
9 county, a city, or any entity thereof for ~~any of~~ the following limited
10 purposes:

11 (A) Having the real property preserved, improved,
12 upgraded, rehabilitated, or enlarged by the donee;

13 (B) Providing a publicly supported institution of higher
14 education ~~or,~~ a technical institute, or a community college with the donated
15 property ~~in which to hold classes for students who are from the school~~
16 ~~district or to educate pupils from within the donating school district even~~
17 ~~if students from outside the school district might also benefit; or~~

18 (C) Providing community programs and beneficial
19 educational services, social enrichment programs, or after-school programs
20 ~~for students who are from the school district or educating pupils from within~~
21 ~~the donating school district even if other persons in the community or~~
22 ~~students from outside the school district might also benefit.~~

23 (2) ~~Furthermore,~~ A school district's district may donate the fee
24 simple title and absolute interest, without any reservations or restrictions,
25 ~~in and to all~~ the real property, ~~or any part of the property to the~~ a
26 publicly supported institution of higher learning, a technical institute, or
27 a community college, a not-for-profit organization, a county, or a city ~~if~~
28 ~~this property was previously conveyed or otherwise transferred by the~~
29 ~~institution or college to the school district without cost.~~

30 (3) If two (2) years after the effective date of consolidation
31 the real property of the consolidated school district is not used by the
32 school district for educational purposes and has not been sold, preserved,
33 leased, or donated, the school board of directors shall make the real
34 property available to a publicly supported institution of higher education, a
35 technical institute, a community college, a not-for-profit organization, a

1 county, or a city either by donation or low-cost long-term lease for the
2 following limited purposes:

3 (A) Having the real property preserved, improved,
4 upgraded, rehabilitated, or enlarged by the donee;

5 (B) Providing a publicly supported institution of higher
6 education, a technical institute, or a community college with the donated
7 property to hold classes; or

8 (C) Providing community programs and beneficial
9 educational services, social enrichment programs, or after-school programs.

10 (c) ~~The execution of all contracts and conveyances and~~ A contract,
11 conveyance, or lease contracts shall be performed executed by the president
12 and confirmed by the secretary of the school board of directors ~~when~~ after
13 the contract, conveyance, or lease is authorized by a written resolution ~~in~~
14 ~~writing and~~ approved by a majority vote of the school board of directors.

15 (d)(1) If the school district donates real property to an entity under
16 this section, ~~then~~ the school district shall have the right of first refusal
17 to reacquire the real property if the entity decides to sell or otherwise
18 dispose of the real property.

19 (2) The school district shall not be required to compensate the
20 entity for any improvements to real property reacquired under this ~~subsection~~
21 section.

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23 /s/Linck
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33 Referred by the Arkansas House of Representatives

34 Prepared by: SAG/VJF
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