

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013
4

As Engrossed: H3/1/13
A Bill

HOUSE BILL 1310

5 By: Representatives Linck, *Catlett*
6 By: Senators S. Flowers, *Irvin*
7

8 **For An Act To Be Entitled**

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

15 TO ALLOW SCHOOL DISTRICTS THAT HAVE BEEN
16 CONSOLIDATED TO SELL, PRESERVE, LEASE, OR
17 DONATE REAL PROPERTY THAT IS NO LONGER
18 UTILIZED BY THE SCHOOL DISTRICTS.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. DO NOT CODIFY.

24 (a) Lack of use or under-utilization of real property as a result of
25 the consolidation of a school district can cause a significant loss of
26 investment to the state and the communities where the real property is
27 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) A school district in the State of Arkansas that is consolidated
34 with one (1) or more school districts may:

35 (1) Sell ~~buildings~~ a building or ~~lands~~ real property owned by
36 the school district that ~~are~~ is no longer used by the school district at a



1 fair market value; or

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

4 (3) Lease a building or real property owned by the school
 5 district that is no longer used by the school district; or

6 (4) Donate a building or real property owned by the school
 7 district that is no longer used by the school district as allowed under § 6-
 8 21-108(b).

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

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

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

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

18 (B) Include compensation for ~~any~~ improvements to the
 19 building or real property.

20 (c)(1) If a school district is unable to secure a purchaser or lessor
 21 for an unused building or real property at or near fair market value, a
 22 school district shall advertise once per month for three (3) consecutive
 23 months the unused building or real property for sale or lease by the school
 24 district:

25 (A) In a newspaper in circulation in the county in which
 26 the unused building or real property is located; and

27 (B) In a newspaper with statewide circulation.

28 (2)(A) If an acceptable fair market value offer has not been
 29 made and accepted by the board of directors of a school district after ninety
 30 (90) days from the date of the initial advertisement, the school board may
 31 petition the circuit court in Pulaski County to issue an order declaring that
 32 it is in the best interest of the school district to dispose of the building
 33 or real property and authorizing:

34 (i) A bona fide sale or lease offer from a qualified
 35 purchaser or lessor, the value of which is less than fair market value; or

36 (ii) A public sale by auction, including the reserve

1 purchase price.

2 (B) In determining whether it is in the best interest of
 3 the school district to dispose of the building or real property, the court
 4 may consider, factors including without limitation:

5 (i) The efforts made by the school board to market
 6 and advertise the unused building or real property; and

7 (ii) The projected cost to the school district of
 8 insuring and maintaining the unused building or real property.

9 (3) The purchase price of a building or real property by
 10 judicial order is considered a valid purchase price and may be used to
 11 determine the fair market value of unused buildings and real property in
 12 other school districts.

13 (d) The proceeds of the sale or lease of an unused building or real
 14 property under this section, excluding expenses, shall be used by the school
 15 district for school purposes.

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

18 6-21-108. School districts authorized to own and convey real property
 19 -- Donation of property for educational purposes ~~only~~ and beneficial
 20 educational services only.

21 (a) In addition to the authority of school districts under § 6-13-620
 22 ~~to have the care and custody of the schoolhouse, grounds, and other property~~
 23 ~~belonging to the school district, the,~~ a school district board of directors
 24 ~~for any Arkansas school district shall be authorized and empowered to may~~
 25 acquire and hold real estate, tenements, hereditaments, and other real
 26 property ~~as is necessary and proper for the purposes of~~ the education of
 27 ~~pupils~~ students of the school district and the administration of the ~~schools~~
 28 ~~of the school district.~~

29 (b)(1) If the board of directors for a school district determines that
 30 ~~any real estate~~ property owned or controlled by the school district is not
 31 required for the present or ~~anticipated~~ future needs of the school district
 32 and that the donation ~~thereof~~ of the real property would serve a beneficial
 33 educational service for the ~~pupils~~ citizens of the school district, then the
 34 school district ~~is also empowered and authorized to may~~ donate real property
 35 ~~or any part thereof~~ to a publicly supported institution of higher education,
 36 a technical institute, a community college, a not-for-profit organization, a

1 county, a city, or any entity thereof for any of the following limited
 2 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 ~~or~~, a technical institute, or a community college with the donated
 7 property in which to hold classes ~~for students who are from the school~~
 8 ~~district or to educate pupils from within the donating school district even~~
 9 ~~if students from outside the school district might also benefit; or~~

10 (C) Providing community programs and beneficial
 11 educational services, social enrichment programs, or after-school programs
 12 ~~for students who are from the school district or educating pupils from within~~
 13 ~~the donating school district even if other persons in the community or~~
 14 ~~students from outside the school district might also benefit.~~

15 (2) ~~Furthermore, A school districts~~ district may donate the fee
 16 simple title and absolute interest in real property, without any reservations
 17 or restrictions, ~~in and to all the real property, or any part of the property~~
 18 ~~to the a publicly supported institution of higher learning, a technical~~
 19 institute, or a community college, a not-for-profit organization, a county,
 20 or a city if this property was previously conveyed or otherwise transferred
 21 ~~by the institution or college to the school district without cost.~~

22 (3) If two (2) years after the effective date of consolidation
 23 the real property of the consolidated school district is not used by the
 24 school district for educational purposes and has not been sold, preserved,
 25 leased, or donated, the school district board of directors shall make the
 26 real property available to a publicly supported institution of higher
 27 education, a technical institute, a community college, a not-for-profit
 28 organization, a county, or a city, by donation or low-cost long-term lease,
 29 for the following limited purposes:

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

32 (B) Providing a publicly supported institution of higher
 33 education, a technical institute, or a community college with the donated
 34 property in which to hold classes; or

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

1 (c) ~~The execution of all contracts and conveyances and~~ A contract,
2 conveyance, or lease ~~contracts~~ shall be ~~performed~~ executed by the president
3 and confirmed by the secretary of the school ~~district~~ board of directors ~~when~~
4 after the contract, conveyance, or lease is authorized by a written
5 resolution ~~in writing and~~ approved by a majority vote of the school district
6 board of directors.

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

11 (2) The school district ~~shall~~ is not ~~be~~ required to compensate
12 the entity for ~~any~~ improvements to real property reacquired under this
13 ~~subsection~~ section.

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15 /s/Linck
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18 **APPROVED: 03/11/2013**
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