

SB2823



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB2823

Introduced 2/17/2016, by Sen. David Koehler

SYNOPSIS AS INTRODUCED:

105 ILCS 5/5-22

from Ch. 122, par. 5-22

Amends the School Code. In the case of a structure constructed or renovated by students as part of a curricular program, allows a school board, by a resolution adopted by at least two-thirds of the board members, to engage the services of a licensed real estate broker to sell the property for a commission not to exceed 7%, contingent on the sale of the property within 120 days.

LRB099 18928 NHT 43316 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning education.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The School Code is amended by changing Section
5 5-22 as follows:

6 (105 ILCS 5/5-22) (from Ch. 122, par. 5-22)

7 Sec. 5-22. Sales of school sites, buildings or other real
8 estate. When, in the opinion of the school board, a school
9 site, or portion thereof, building, or site with building
10 thereon, or any other real estate of the district, has become
11 unnecessary, ~~or~~ unsuitable, or inconvenient for a school, or
12 unnecessary for the uses of the district, the school board, by
13 a resolution adopted by at least two-thirds of the board
14 members, may sell or direct that the property be sold in the
15 manner provided in the Local Government Property Transfer Act,
16 or in the manner herein provided or, in the case of a structure
17 constructed or renovated by students as part of a curricular
18 program, may engage the services of a licensed real estate
19 broker to sell the property for a commission not to exceed 7%,
20 contingent on the sale of the property within 120 days.

21 Unless legal title to the land is held by the school board,
22 the school board shall forthwith notify the trustees of schools
23 or other school officials having legal title to such land of

1 the terms upon which they desire the property to be sold. If
2 the property is to be sold to another unit of local government
3 or school district, the school board, trustees of schools, or
4 other school officials having legal title to the land shall
5 proceed in the manner provided in the Local Government Property
6 Transfer Act. In all other cases, except if the property is to
7 be sold to a tenant that has leased the property for 10 or more
8 years and that tenant is a non-profit agency, the school board,
9 trustees of schools, or other school officials having legal
10 title to the land shall, within 60 days after adoption of the
11 resolution (if the school board holds legal title to the land),
12 or within 60 days after the trustees of school or other school
13 officials having legal title receive the notice (if the school
14 board does not hold legal title to the land), sell the property
15 at public sale, by auction or sealed bids, after first giving
16 notice of the time, place, and terms thereof by notice
17 published once each week for 3 successive weeks prior to the
18 date of the sale if sale is by auction, or prior to the final
19 date of acceptance of bids if sale is by sealed bids, in a
20 newspaper published in the district or, if no such newspaper is
21 published in the district, then in a newspaper published in the
22 county and having a general circulation in the district;
23 however, if territory containing a school site, building, or
24 site with building thereon, is detached from the school
25 district of which it is a part after proceedings have been
26 commenced under this Section for the sale of that school site,

1 building, or site with building thereon, but before the sale is
 2 held, then the school board, trustees of schools, or other
 3 school officials having legal title shall not advertise or sell
 4 that school site, building, or site with building thereon,
 5 pursuant to those proceedings. The notices may be in the
 6 following form:

7 NOTICE OF SALE

8 Notice is hereby given that on (insert date), the (here
 9 insert title of the school board, trustees of school, or other
 10 school officials holding legal title) of (county) (Township No.
 11, Range No. P.M.) will sell at public sale (use
 12 applicable alternative) (at (state location of sale
 13 which shall be within the district), atM.,) (by taking
 14 sealed bids which shall be accepted untilM., on (insert
 15 date), at (here insert location where bids will be accepted
 16 which shall be within the district) which bids will be opened
 17 atM. on (insert date) at (here insert location where
 18 bids will be opened which shall be within the district)) the
 19 following described property: (here describe the property),
 20 which sale will be made on the following terms to-wit: (here
 21 insert terms of sale)

22

23

24

25 (Here insert title of school
 26 officials holding legal title)

1 For purposes of determining "terms of sale" under this
2 Section, the General Assembly declares by this clarifying and
3 amendatory Act of 1983 that "terms of sale" are not limited to
4 sales for cash only but include contracts for deed, mortgages,
5 and such other seller financed terms as may be specified by the
6 school board.

7 If a school board specifies a reasonable minimum selling
8 price and that price is not met or if no bids are received, the
9 school board may adopt a resolution determining or directing
10 that the services of a licensed real estate broker be engaged
11 to sell the property for a commission not to exceed 7%,
12 contingent on the sale of the property within 120 days. If
13 legal title to the property is not held by the school board,
14 the trustees of schools or other school officials having legal
15 title shall, upon receipt of the resolution, engage the
16 services of a licensed real estate broker as directed in the
17 resolution. The board may accept a written offer equal to or
18 greater than the established minimum selling price for the
19 described property. The services of a licensed real estate
20 broker may be utilized to seek a buyer. If the board lowers the
21 minimum selling price on the described property, the public
22 sale procedures set forth in this Section must be followed. The
23 board may raise the minimum selling price without repeating the
24 public sale procedures.

25 In the case of a sale of property to a tenant that has

1 leased the property for 10 or more years and that is a
2 non-profit agency, an appraisal is required prior to the sale.
3 If the non-profit agency purchases the property for less than
4 the appraised value and subsequently sells the property, the
5 agency may retain only a percentage of the profits that is
6 proportional to the percentage of the appraisal, plus any
7 improvements made by the agency while the agency was the owner,
8 that the agency paid in the initial sale. The remaining portion
9 of the profits made by the non-profit agency shall revert to
10 the school district.

11 The deed of conveyance shall be executed by the president
12 and clerk or secretary of the school board, trustees of
13 schools, or other school officials having legal title to the
14 land, and the proceeds paid to the school treasurer for the
15 benefit of the district; provided, that the proceeds of any
16 such sale on the island of Kaskaskia shall be paid to the State
17 Treasurer for the use of the district and shall be disbursed by
18 him in the same manner as income from the Kaskaskia Commons
19 permanent school fund. The school board shall use the proceeds
20 from the sale first to pay the principal and interest on any
21 outstanding bonds on the property being sold, and after all
22 such bonds have been retired, the remaining proceeds from the
23 sale next shall be used by the school board to meet any urgent
24 district needs as determined under Sections 2-3.12 and 17-2.11
25 and then for any other authorized purpose and for deposit into
26 any district fund. But whenever the school board of any school

1 district determines that any schoolhouse site with or without a
2 building thereon is of no further use to the district, and
3 agrees with the school board of any other school district
4 within the boundaries of which the site is situated, upon the
5 sale thereof to that district, and agrees upon the price to be
6 paid therefor, and the site is selected by the purchasing
7 district in the manner required by law, then after the payment
8 of the compensation the school board, township trustees, or
9 other school officials having legal title to the land of the
10 schools shall, by proper instrument in writing, convey the
11 legal title of the site to the school board of the purchasing
12 district, or to the trustees of schools for the use of the
13 purchasing district, in accordance with law. The provisions of
14 this Section shall not apply to any sale made pursuant to
15 Section 5-23 or Section 5-24 or Section 32-4.

16 (Source: P.A. 91-357, eff. 7-29-99; 92-365, eff. 8-15-01.)