

AN ACT concerning education.

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

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

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

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

Unless legal title to the land is held by the school board,

the school board shall forthwith notify the trustees of schools or other school officials having legal title to such land of the terms upon which they desire the property to be sold. If the property is to be sold to another unit of local government or school district, the school board, trustees of schools, or other school officials having legal title to the land shall proceed in the manner provided in the Local Government Property Transfer Act. In all other cases, except if the property is to be sold to a tenant that has leased the property for 10 or more years and that tenant is a non-profit agency, the school board, trustees of schools, or other school officials having legal title to the land shall, within 60 days after adoption of the resolution (if the school board holds legal title to the land), or within 60 days after the trustees of school or other school officials having legal title receive the notice (if the school board does not hold legal title to the land), sell the property at public sale, by auction or sealed bids, after first giving notice of the time, place, and terms thereof by notice published once each week for 3 successive weeks prior to the date of the sale if sale is by auction, or prior to the final date of acceptance of bids if sale is by sealed bids, in a newspaper published in the district or, if no such newspaper is published in the district, then in a newspaper published in the county and having a general circulation in the district; however, if territory containing a school site, building, or site with building thereon, is detached from the school

district of which it is a part after proceedings have been commenced under this Section for the sale of that school site, building, or site with building thereon, but before the sale is held, then the school board, trustees of schools, or other school officials having legal title shall not advertise or sell that school site, building, or site with building thereon, pursuant to those proceedings. The notices may be in the following form:

NOTICE OF SALE

Notice is hereby given that on (insert date), the (here insert title of the school board, trustees of school, or other school officials holding legal title) of (county) (Township No. ...., Range No. .... P.M. ....) will sell at public sale (use applicable alternative) (at ..... (state location of sale which shall be within the district), at .... ..M.,) (by taking sealed bids which shall be accepted until .... ..M., on (insert date), at (here insert location where bids will be accepted which shall be within the district) which bids will be opened at .... ..M. on (insert date) at (here insert location where bids will be opened which shall be within the district)) the following described property: (here describe the property), which sale will be made on the following terms to-wit: (here insert terms of sale)

....  
....  
....

(Here insert title of school  
officials holding legal title)

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

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

public sale procedures.

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

The deed of conveyance shall be executed by the president and clerk or secretary of the school board, trustees of schools, or other school officials having legal title to the land, and the proceeds paid to the school treasurer for the benefit of the district; provided, that the proceeds of any such sale on the island of Kaskaskia shall be paid to the State Treasurer for the use of the district and shall be disbursed by him in the same manner as income from the Kaskaskia Commons permanent school fund. The school board shall use the proceeds from the sale first to pay the principal and interest on any outstanding bonds on the property being sold, and after all such bonds have been retired, the remaining proceeds from the sale next shall be used by the school board to meet any urgent district needs as determined under Sections 2-3.12 and 17-2.11

and then for any other authorized purpose and for deposit into any district fund. But whenever the school board of any school district determines that any schoolhouse site with or without a building thereon is of no further use to the district, and agrees with the school board of any other school district within the boundaries of which the site is situated, upon the sale thereof to that district, and agrees upon the price to be paid therefor, and the site is selected by the purchasing district in the manner required by law, then after the payment of the compensation the school board, township trustees, or other school officials having legal title to the land of the schools shall, by proper instrument in writing, convey the legal title of the site to the school board of the purchasing district, or to the trustees of schools for the use of the purchasing district, in accordance with law. The provisions of this Section shall not apply to any sale made pursuant to Section 5-23 or Section 5-24 or Section 32-4.

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