

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1894
97TH GENERAL ASSEMBLY

6003L.04C

D. ADAM CRUMBLISS, ChiefClerk

AN ACT

To amend chapter 177, RSMo, by adding thereto one new section relating to the sale of unused or vacant public school buildings, with an emergency clause.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 177, RSMo, is amended by adding thereto one new section, to be
2 known as section 177.055, to read as follows:

177.055. 1. On or before July first of each year, school districts in this state that
2 **have been declared unaccredited or provisionally accredited under the authority of the**
3 **state board of education to classify schools as established in section 161.092 shall report to**
4 **the department of elementary and secondary education any buildings that were unused or**
5 **vacant during a school year as prescribed in this section. For purposes of this section,**
6 **"unused or vacant" means property of the governing body of the school district no longer**
7 **used for instruction for at least one school term as defined in section 160.011. In 2014,**
8 **school districts shall report to the department any buildings that were unused or vacant**
9 **in school years 2011-12, 2012-13, and 2013-14 and that remain unused or vacant. If a**
10 **school district lists a building as unused or vacant for two consecutive school years, the**
11 **building shall remain on the list for at least twenty-four months or until a lease or sale is**
12 **completed, whichever occurs first.**

13 **2. If a school district building is listed as unused or vacant according to reports**
14 **provided to the department by a school district as required under subsection 1 of this**
15 **section, the school district shall make the school building available for lease or sale to**
16 **charter schools meeting the requirements of section 160.400. Notwithstanding any other**
17 **provision of law, the price at which property is offered for sale to a charter school under**
18 **this section shall not exceed the fair market value of the property nor shall the rent exceed**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

19 the fair market rent for such building; fair market value or rent shall be determined by the
20 department of elementary and secondary education based on professional appraisal or
21 evaluation services selected at the department's discretion.

22 3. If a school district does not receive a bid from or enter into an agreement with
23 a charter school within twenty-four months after the building is listed as unused or vacant
24 with the department, the school district shall make the building available for sale or lease
25 to other public educational entities located within the state, including state technical
26 schools, public two-year colleges, and public four-year colleges and universities. The
27 provisions contained in subsections 3 to 5 of this section shall apply to any public
28 educational entity leasing or purchasing a building from a district under this section. If
29 the school district does not receive a bid from or enter into an agreement with a public
30 educational entity within thirty months after the building is listed as unused or vacant with
31 the department, the school district may sell the building to the highest bidder.

32 4. The charter school shall notify the department that it intends to purchase or
33 lease a building on the list no later than three working days after it notifies the school
34 district of such intent. If a charter school notifies a school district that the charter school
35 wants to lease or purchase a building or part of a building that has been listed as unused
36 or vacant with the department, the school district or entity that owns the building shall
37 enter into a sale or lease agreement with the purchaser or lessee of the school district's
38 choice. The lease or sale shall include ingress to and egress from the building and, if the
39 charter school is leasing part of an unused or vacant building, the right to access and use
40 common areas shared by all tenants and users of the building. If a charter school leases
41 or purchases an entire building under this section, the charter school may encumber the
42 building with mortgages for debt to make improvements to the building, and the school
43 district or other entity that enters into the lease shall subordinate its interest in the lease
44 to the debt encumbering the building. During the term of a lease, the charter school is
45 responsible for the direct expenses related to the building or part of the building leased,
46 including utilities, insurance, maintenance, property taxes, repairs or remodeling
47 attributed to the building or part of the building leased by the charter school.

48 5. A school district or any other entity that owns a school district building shall
49 publicly identify the amount of debt owed on any building about which a potential buyer
50 has inquired within seven days after the inquiry. The school district shall be responsible
51 for any debt incurred for or liens attached to the school building before the charter school
52 leased the building. If a charter school offers to buy a building that is owned or operated
53 by a school district, the charter school shall complete the transfer of the building for a price
54 negotiated with the school district or other entity within one year after the date of making

55 a written offer of purchase and shall begin to use the building for classroom instruction no
56 later than two years after acquisition. The lease or document of sale shall provide that if
57 the charter school closes or the building ceases being used for instruction for a school term,
58 the ownership shall revert to the school district. If during the term of the lease, the charter
59 school closes or ceases using the building for classroom purposes, the school building shall
60 be placed on the department's list under subsection 1 of this section. If a charter school
61 purchases a former school district building for less than the appraised value of the
62 building, the charter school shall not resell the building within five years at a price that
63 exceeds the sum of the original purchase price, any debt encumbering the building, real
64 estate commissions, and closing costs, unless the charter school's charter was subsequently
65 revoked by the charter school sponsor.

66 6. A school district shall not lease an unused or vacant school building back to that
67 school district or to another entity that is affiliated with that school district.

68 7. Notwithstanding any other provision of law, a school district may sell used
69 equipment to a charter school before the school district attempts to sell or dispose of the
70 equipment by other means.

71 8. A district required by subsection 1 of this section to report unused or vacant
72 buildings that fails to report unused or vacant buildings by July first shall be subject to a
73 fine of one thousand dollars per day for each day the report is late. The department shall
74 provide a copy of the current list each year to the joint committee on education and to the
75 chairs of the senate and house budget committees.

76 9. Notwithstanding any other provision of this section, the department of
77 elementary and secondary education shall have the authority to exempt a school district
78 from the requirements of this section if, upon the request of the school district
79 demonstrating the need for such exemption by reference to the district's improvement plan
80 or changing local economic or demographic reasons, the department determines that
81 extenuating circumstances warrant such an exemption.

82 10. The department of elementary and secondary education may promulgate all
83 necessary rules and regulations for the administration of this section. Any rule or portion
84 of a rule, as that term is defined in section 536.010, that is created under the authority
85 delegated in this section shall become effective only if it complies with and is subject to all
86 of the provisions of chapter 536 and, if applicable, section 536.028. This section and
87 chapter 536 are nonseverable and if any of the powers vested with the general assembly
88 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul
89 a rule are subsequently held unconstitutional, then the grant of rulemaking authority and
90 any rule proposed or adopted after August 28, 2014, shall be invalid and void.

Section B. Because of the importance of improving and sustaining Missouri's elementary
2 and secondary education system, this act is deemed necessary for the immediate preservation of
3 the public health, welfare, peace and safety, and is hereby declared to be an emergency act within
4 the meaning of the constitution, and this act shall be in full force and effect upon its passage and
5 approval.

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