

DISPOSAL OF SURPLUS SCHOOL PROPERTY

State laws authorizes the school district to dispose school district property which the Board determines to be no longer necessary, useful or suitable for school purposes. State law also sets forth the procedures and requirements for disposal of surplus school property and the following provisions are based on current state law. Should, after the adoption of this policy, any state law be amended or repealed by the state legislature the amended statute shall supercede the corresponding provision in this policy, and should a statute be repealed the corresponding policy provision shall be null and void.

1. The Montrose School District Board of Education may sell, trade, destroy, or otherwise dispose of any land, structures, equipment, or other property which the Board has, by appropriate motion, determined is no longer necessary, useful, or suitable for the purpose for which it was acquired. No motion is required to sell, trade, destroy, or otherwise dispose of consumable supplies, printed text, or subscriptions.

2. After the Board has made a determination of surplus property the Board shall appoint three real property owners of the school district to appraise the value of such property. Such real property owners shall file a report of the appraisal with the business manager. The Board may employ a person or persons licensed by the state to do fee appraisals in lieu of the property owners conducting an appraisal pursuant to this section. Any improvements on land shall be appraised separately from the land. Equipment or supplies which are to be traded for other property, property which is to be destroyed, property which is to be transferred to another political subdivision, property being sold which was created as a result of an educational program in the school and property which is to be sold at public auction need not be appraised.

3. Any surplus property appraised at five hundred dollars or less may be sold by the Board at a private or public sale without notice. The Board shall give notice of the sale of all other surplus property, including property created as a result of an educational program in the school, by publishing a notice of the sale at least twice, with the first publication not less than ten days prior to the date of the sale. The first publication shall be in the school's official newspapers and the second publication may be in any legal newspaper of the state chosen by the Board. The notice shall describe the property to be sold and the time when bids will be opened. The Board may open the bids or may designate an official and a witness to open all bids prior to the school board meeting and shall state such in the notice of sale. Property to be transferred to another political subdivision need not be advertised.

4. Sealed bids received on the surplus property shall be filed with the business manager and shall be opened at a school board meeting at the time specified in the notice, or the Board may designate an official of the political subdivision and a witness to open all bids before the meeting of the governing board as specified in the notice. The Board may reject any and all bids. However, if the Board accepts a bid, it must be the bid of the highest bidder. If no bids are received, the Board may have the surplus property reappraised, or may, within twelve months thereafter, sell the property at private sale for not less than ninety percent of the appraised value without further publication or appraisal. If the property to be sold was created as a result of an

educational program in a school, the school board may accept the highest bid or it may reject all bids and may sell the property at private sale without further publication.

5. In lieu of receiving sealed bids as required by this chapter, the school district may sell real property at public auction or by listing the property with one or more licensed real estate brokers. The Board may accept any offer for purchase of real property provided the offer exceeds ninety percent of the appraised value of the real property. If the Board sells real property by public auction or through a real estate broker, the governing body shall give notice of the sale of the real property by law.

6. In lieu of sealed bids, the Board may sell surplus property at auction. The Board shall advertise such auction by publication as required by law. Surplus property may be sold to the highest bidder at such auction.

7. No school board member who has been elected or appointed, school administrator, or real property owner acting as an appraiser, may purchase the surplus property except at public auction.

8. All revenue accruing from the sale of surplus property pursuant to this chapter shall be paid into the treasury of the school district and credited, at the discretion of the Board, to the general fund, to the fund in which such property was inventoried, or to the capital outlay fund.

9. The Board may sell any real property with a purchase price in excess of two hundred fifty dollars under an installment contract. The property may not be sold for less than ninety percent of the appraised value. Before the Board may sell any real property under an installment contract it shall attempt to sell such property by sealed bids or auction. The Board shall determine the terms and conditions of the installment contract including the number of installments, the date of payment and the rate of interest. The purchaser may, at his option, pay the balance or any number of installments on any interest paying date. Immediately upon the acceptance of any bid pursuant to this provision the purchaser shall deposit the amount of the cash payment with the business manager and the business manager shall provide the purchaser with a receipt for such payment and retain a copy in his/her office. At the first meeting of the Board after a sale has been made pursuant to this provision the business manager shall report the sale to the board. The Board may refuse to approve the sale if the purchase price offered is, in the judgment of the board, less than the true and full value of the real property. If the sale is not approved, the business manager shall return the purchaser's deposit and the purchaser shall surrender the receipt for such deposit. If the Board approves a real estate sale pursuant to this provision and the full amount of the purchase price has been paid in cash, the board shall direct that a deed conveying such property be delivered to the purchaser thereof. The deed shall be executed in the name of the Board President and attested by the business manager. The deed shall vest in the grantee or grantees all of the right, title, and interest of the school district in and to such real property so sold and every part thereof. If the Board approves the sale pursuant to § 6-13-11, and less than the full amount of the purchase price is paid in cash and the remainder is to be paid in annual installments, the purchaser or purchasers shall be given a contract for deed covering such real property. The contract for deed shall be executed in the name of the Board President and attested by the business manager. The contract for deed shall state that the school district agrees to convey all of the right, title, and interest of the school district in and to such real property so sold and every part thereof upon the full performance thereof by the purchaser. The contract for deed shall contain a recital of the terms of the sale, the amount of cash paid at the

sale, the amount of each of the annual installments, the date of payment of such annual installments, and the rate of interest thereon. The contract for deed shall require the purchaser to make the payments of principal and interest in the amounts and at the times specified. The contract for deed shall require that all taxes assessed and levied upon the real property described therein shall be paid in full each year during the term of the contract for deed and before the taxes become delinquent. The contract for deed shall provide that in case of default in the payment of any annual installment or interest or taxes assessed and levied, the Board, at its option, may declare the contract at an end and proceed immediately to foreclose the deed in the manner provided by law for the strict foreclosure of executory contract for the sale of real estate. The contract for deed shall provide that all payments made prior to such default shall be retained by the school district as liquidated damages.

10. The school district may convey and transfer any real property which is held or owned by it, the title to which has been obtained and which is not held for public use or which is about to be abandoned for public purposes, to another political subdivision or nonprofit corporation for public purposes and accommodation without offering the property for sale and without requiring said political subdivision or nonprofit corporation to pay therefore. If the Board deems it advisable and to the best interest of the public to convey any such property to another political subdivision or nonprofit corporation pursuant to this provision the Board shall by resolution direct that said property be so conveyed and transferred and a deed of conveyance shall be made to the political subdivision or nonprofit corporation, which deed vests in the grantee all the right, title and interest of the transferor in and to the real property so conveyed.

11. The school district may by resolution exchange any land belonging to it with a private owner. Before entering into a contract for the exchange of real property, the Board shall cause the real property to be appraised by a board of three disinterested appraisers who are real property owners within the school district or by one or more persons licensed by the state to do fee appraisals. Any exchange shall be made upon such terms, conditions, and in such manner as may be determined and agreed upon by the parties, following public notice and hearing. The notice of the proposed exchange and hearing shall be published once at least ten days before the hearing. The notice shall contain a description of the lands to be exchanged.

12. The school district may lease or sell or give and convey any personal property, real property, or money of such entity or perform any work or render any services, to the state or any public corporation thereof, to be used by such grantee for an authorized public purpose. Such lease or sale or gift and conveyance, or the performance of such work, to be authorized, shall be made or done on the terms and in the manner provided by resolutions of the Board. However, no money may be transferred from any sinking or interest fund unless sufficient money is left therein to pay all interest which may accrue on and the principal of all outstanding bonds.

Adopted: January 14, 2008

LEGAL REFS.: SDCL Ch. 6-13; SDCL 6-5-2; SDCL 6-5-5; SDCL 13-15-7; SDCL 13-24-4