

Representative Mark W. Walker proposes the following substitute bill:

SURPLUS LANDS AMENDMENTS

2006 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Mark W. Walker

Senate Sponsor: Carlene M. Walker

LONG TITLE

General Description:

This bill enacts provisions relating to the sale and purchase of school district surplus lands.

Highlighted Provisions:

This bill:

- ▶ enacts provisions allowing certain counties and municipalities to purchase lands declared to be surplus by a school district;
- ▶ establishes a process for the purchase of those surplus lands;
- ▶ requires that surplus lands purchased as provided in this bill shall be used only for certain purposes; ~~H~~→ [and]

▶ requires school districts that sell surplus property under this bill to place the sale proceeds in a capital facilities fund to be used only for capital facilities or bond debt reduction;

and ←~~H~~

- ▶ authorizes the original seller of surplus land to reacquire the land if the acquiring entity later declares the land to be surplus property.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:



- 26 **53A-2-401**, Utah Code Annotated 1953
- 27 **53A-2-402**, Utah Code Annotated 1953
- 28 **53A-2-403**, Utah Code Annotated 1953
- 29 **53A-2-404**, Utah Code Annotated 1953

31 *Be it enacted by the Legislature of the state of Utah:*

32 Section 1. Section **53A-2-401** is enacted to read:

33 **Part 4. School District Surplus Lands Act**

34 **53A-2-401. Title.**

35 This part is known as the "School District Surplus Lands Act."

36 Section 2. Section **53A-2-402** is enacted to read:

37 **53A-2-402. Definitions.**

38 As used in this part:

39 (1) "Eligible entity" means:

- 40 (a) a city or town with a population density of 3,000 or more people per square mile; or
- 41 (b) a county whose unincorporated area includes a qualifying township.

42 (2) "Purchase price" means the greater of:

43 (a) an amount that is ~~H→ [H→ [10%] 5% ←H below] ←H~~ the average of:

- 44 (i) the appraised value of the surplus property, based on the predominant zone in the
- 45 surrounding area, as indicated in an appraisal obtained by the eligible entity; and
- 46 (ii) the appraised value of the surplus property, based on the predominant zone in the
- 47 surrounding area, as indicated in an appraisal obtained by the school district; and

48 (b) the amount the school district paid to acquire the surplus property.

49 (3) "Qualifying township" means a township under Section 17-27a-306 that has a

50 population density of 3,000 or more people per square mile within the boundaries of the

51 township.

52 (4) "Surplus property" means land owned by a school district that:

- 53 (a) was purchased with taxpayer money;
- 54 (b) is located within a city or town that is an eligible entity or within a qualifying
- 55 township;
- 56 (c) consists of one contiguous tract at least three acres in size; and

57 (d) has been declared by the school district to be surplus.

58 Section 3. Section **53A-2-403** is enacted to read:

59 **53A-2-403. Purchase of surplus property.**

60 (1) An eligible entity may purchase, and each school district shall sell, surplus property
61 as provided in this section.

62 (2) (a) Upon declaring land to be surplus property, each school district shall give
63 written notice to each eligible entity in which the surplus property is located.

64 (b) Each notice under Subsection (2)(a) shall:

65 (i) state that the school district has declared the land to be surplus property; and

66 (ii) describe the surplus property.

67 (3) Subject to Subsection (4), an eligible entity may purchase the surplus property by
68 paying the school district the purchase price.

69 (4) (a) The legislative body of each eligible entity desiring to purchase surplus property
70 under this section shall:

71 (i) within 90 days after the eligible entity receives notice under Subsection (2), adopt a
72 resolution declaring the intent to purchase the surplus property and deliver a copy of the
73 resolution to the school district; and

74 (ii) within 90 days after delivering a copy of the resolution under Subsection (4)(a)(i)
75 to the school district, deliver to the school district an earnest money offer to purchase the
76 surplus property at the purchase price.

77 (b) If an eligible entity fails to comply with either of the requirements under Subsection
78 (4)(a) within the applicable time period, the eligible entity forfeits the right to purchase the
79 surplus property.

80 (5) (a) An eligible entity may waive its right to purchase surplus property under this
81 part by submitting a written waiver to the school district.

82 (b) If an eligible entity submits a waiver under Subsection (5)(a), the school district has
83 no further obligation under this part to sell the surplus property to the eligible entity.

84 (6) Surplus property acquired by an eligible entity may not be used for any purpose
85 other than:

86 (a) a county, city, or town hall;

87 (b) a park or other open space; or

88 (c) a cultural center or community center.

88a **H→ (7)(a) A school district that sells surplus property under this part may use proceeds**
88b **from the sale only for bond debt reduction or school district capital facilities.**

88c **(b) Each school district that sells surplus property under this part shall place all**
88d **proceeds from the sale that are not used for bond debt reduction in a capital facilities fund of**
88e **the school district for use for school district capital facilities. ←H**

89 Section 4. Section **53A-2-404** is enacted to read:

90 **53A-2-404. Resale of surplus property.**

91 (1) If an eligible entity that has acquired surplus property under Section H→ [11-42-103]
91a **53A-2-403 ←H**

92 afterwards declares that property to be surplus, the school district from which the eligible entity
93 acquired the property may purchase, and the eligible entity shall sell, the property as provided
94 in Section 53A-2-403, except that the price at which the school district shall be entitled to
95 reacquire the property shall be the price that the eligible entity paid for the property, plus the
96 cost of any existing improvements that the eligible entity made to the property after it
97 purchased the property.

98 (2) If the school district does not reacquire the surplus property under Subsection (1)
99 and the eligible entity sells the surplus property to another buyer, the eligible entity and the
100 school district shall equally share any proceeds of that sale that exceed the amount the eligible
101 entity paid for the property plus the cost of any existing improvements the eligible entity made
102 to the property after it purchased the property.

Fiscal Note
Bill Number HB0446S01

Surplus Lands Amendments

24-Feb-06

11:59 AM

AMENDED BILL

State Impact

No fiscal impact on state government. The fiscal impact on school districts and eligible local governments will depend on the types and amounts of lands the school districts decide to sell in the future.

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst