

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 residential
17 property constructed or renovated by students as part of a
18 curricular program, may engage the services of a licensed real
19 estate broker to sell the property for a commission not to
20 exceed 7%, contingent on the public listing of the property on
21 a multiple listing service for a minimum of 14 calendar days
22 and the sale of the property within 120 days.

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

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

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

9 NOTICE OF SALE

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

24
 25
 26

1 (Here insert title of school
2 officials holding legal title)

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

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

1 public sale procedures.

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

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

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

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