

REGULATION GUIDE

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Disposition of **Land**

R 7300.2 DISPOSITION OF LAND

The Board of Education by a recorded roll call majority vote of its full membership may dispose, by sale or otherwise, of any lands or any rights or interest therein, owned by it, which cease to be suitable or convenient for the use for which they were acquired or which are no longer needed for school purposes, whether acquired through purchase or through condemnation proceedings and the purchaser shall acquire title free from any use of purpose for which it may have been acquired by the Board in accordance with N.J.S.A. 18A:20-5 through 18A:20-, N.J.A.C. 6A:26-7.4, and Policy 7100.

A. **Written Request for Approval for Disposal – N.J.A.C. 6A:26-7.4(a)**

The district shall make to the Division of Administration and Finance (Division) a written request for school district-owned land to be altered or disposed of through sale, transfer, or exchange of all or part of the total acreage, including rights or interest therein and/or improvements thereon, such as facilities, if applicable.

1. The district will send a copy of the request to the **Executive** County Superintendent who **shall** make recommendations to the Division. The **Executive** County Superintendent **shall** provide a copy of the recommendations to the Board.
2. The request **shall** indicate whether the district intends to convey the site, **rights, or interest therein, and/or improvements thereon**, under an exception to the public **sale** requirements of N.J.S.A. 18A:20-6.
3. The request **shall** indicate whether the school district intends to convey the site, **rights, or interest therein, and/or improvements thereon** that had been conveyed to the school district from the New Jersey Schools Development Authority (Development Authority) or funded in whole or in part by the State share under Educational Facilities Construction and Financing Act (EFCFA).
4. If the land, rights, or interest therein, and/or improvements thereon have been conveyed to the school district from the Development Authority, the request shall provide evidence acceptable to the New Jersey Department of Education that the



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property has not reverted to the Development Authority as authorized under N.J.A.C. 19:34-3.6.

5. **If a school district seeks to dispose of land, rights, or interest therein, and/or improvements thereon funded in part with debt service aid pursuant to N.J.S.A. 18A:7G-9 or 10, and the land and/or improvements are either not needed or not being used for the purposes for which the bonds were issued, any proceeds from the disposal shall be used by the school district first to reduce the outstanding principal amount at the earliest call date or to annually reduce the debt service principal payments. The Board may request approval from the Commissioner to apply the proceeds over the term of the outstanding debt or by some other distribution mechanism if, for example, it is beneficial to stabilizing the school district's debt service tax levy.**

B. Disposal – N.J.A.C. 6A:26-7.4(b)

The Division shall determine whether the disposal is consistent with the district's approved Long-Range Facilities Plan (LRFP) or has a negative impact on the educational adequacy of an individual site.

C. Notification of Approval – N.J.A.C. 6A:26-7.4(c)

The Division shall notify the school district of its approval or disapproval and send a copy to the Executive County Superintendent. If the disposal includes a site, rights, or interest therein and/or improvements thereon conveyed to the school district from the Development Authority, is funded in whole or in part by State share under EFCFA, or is in a school district that is required to use the Development Authority, the Division shall also notify the Development Authority.

D. Sale at Public Sale; Exceptions – N.J.S.A. 18A:20-6

Any lands, rights, or interests therein sold by the Board, except lands conveyed as part of a lease purchase agreement pursuant to N.J.S.A. 18A:20-4.2(f), shall be sold at public sale, to the highest bidder, after advertisement of the sale in a newspaper published in the district, or if none is published therein, then in a newspaper circulating in the



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district, in which the same is situated, at least once a week for two weeks prior to the sale, unless:

- 1. The same are sold to the State, or a political division thereof, in which case they may be sold at private sale without advertisement; or**
- 2. The sale or other disposition thereof in some other manner is provided for in N.J.S.A. 18A.**

E. Sales at Fixed Minimum Prices – N.J.S.A. 18A:20-7

- 1. In the case of public sales** the Board may by resolution fix a minimum price with or without **the** reservation of the right, upon the completion of **said** public sale, to accept or reject the highest bid **made, a statement whereof** shall be included in the advertisement **of sale of the lands** and given as public notice at the time of the sale. The Board may by resolution provide without fixing a minimum price, that upon the completion of the public sale, the Board may accept or reject the highest bid received. If the Board fails to accept or reject the highest bid by the second regular Board meeting following the sale, the bid will be deemed to have been rejected.
- 2.** If no bid is received or if the bids that are received are rejected by the Board in the public interest, the Board may enter into negotiations with any interested party or parties for the sale or other disposal of the property, but shall offer a bidder a hearing upon the bidder's request before entering into such negotiations.
- 3.** The acceptance or rejection of a negotiated price shall be by the affirmative votes of a majority of the full number of Board members at a regularly scheduled meeting.

F. Sewer Lines - N.J.A.C. 6A:26-7.4(d)

The district may convey and transfer, without consideration, its right, title, and interest in and to any trunk or other sewer lines to a municipality, without requiring approval from the Division.

Issued:

