



# Ohio Legislative Service Commission

## Bill Analysis

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### H.B. 375

129th General Assembly  
(As Reported by S. Education)

**Reps.** Butler, Stebelton, Rosenberger, Henne, Gonzales, Uecker, Reece, J. Adams, Terhar, Thompson, Blessing, Hill, Huffman, Lynch, Martin, Ramos, Roegner, Batchelder

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## BILL SUMMARY

- Allows school districts directly to sell real property valued at more than \$10,000 to private, nonprofit institutions of higher education.

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## CONTENT AND OPERATION

### The bill

The bill allows the board of education of a school district to sell real property valued at more than \$10,000 to a private nonprofit institution of higher education that holds a certificate of authorization from the Board of Regents before offering up that property at a public auction. Existing law already allows direct sale of school district property to state colleges and universities and other public entities, such as school library districts and other political subdivisions, park commissioners, and the Adjutant General.<sup>1</sup>

However, the bill does not alter current law's granting, to start-up community schools located within the district, a right of first refusal to purchase real property that a school district seeks to dispose of. Therefore, as is the case with other potential buyers under current law, a district could sell property to a private nonprofit institution of higher education only if no community schools opt to purchase it or if there are no start-up community schools located in the district.<sup>2</sup>

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<sup>1</sup> R.C. 3313.41(C).

<sup>2</sup> R.C. 3313.41(G).

## Background – current law

Under current law, when a school district board of education decides to dispose of real property worth more than \$10,000, it generally must sell that property through a public auction.<sup>3</sup> If the district board offers the property for sale by public auction at least once, and the property is not sold, the district board may sell it at a private sale.<sup>4</sup> However, before a district board may offer the property to any buyer, it must first offer the property to start-up community schools located within the district's territory at a price no higher than the property's appraised fair market value. If no community school accepts the offer to buy within 60 days, then the district may dispose of the property by auction or by another authorized way.<sup>5</sup>

As an alternative to a public auction, the district may sell the property to a public entity, including state colleges and universities or their branch campuses, the Adjutant General, political subdivisions, taxing authorities, park commissioners, and school library districts.<sup>6</sup> School district boards may also include the property in a trade or an exchange.<sup>7</sup>

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## HISTORY

| ACTION                 | DATE     |
|------------------------|----------|
| Introduced             | 11-09-11 |
| Reported, H. Education | 01-26-12 |
| Passed House (78-17)   | 04-24-12 |
| Reported, S. Education | 05-16-12 |

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<sup>3</sup> R.C. 3313.41(A).

<sup>4</sup> R.C. 3313.41(B).

<sup>5</sup> R.C. 3313.41(G).

<sup>6</sup> R.C. 3313.41(C).

<sup>7</sup> R.C. 3313.41(D) and (F).