

**SALE, LEASE, OR EXCHANGE OF SCHOOL-OWNED PROPERTY:  
REVENUE BONDS FROM PROCEEDS  
CDBA (REGULATION)**

When the Board decides to sell real property and issue revenue bonds from the proceeds, it will observe the following legal requirements.

**AUTHORIZED USES**

The Board will find and determine by order duly passed that the real property is surplus to, and not required for, the then current needs of the District for educational purposes, and the proceeds from the sale are required and will be used for the construction or equipment of school buildings in the District or the purchase of any necessary sites therefore, or for the payment of principal of, and interest and premium on, any bonds issued pursuant to these provisions.

**CONTRACT TERMS AND APPRAISAL**

The real property may be sold for such price and upon such terms and conditions as are found and determined by order duly passed by the Board to be most advantageous to the District, and the sale may be made pursuant to an installment sale agreement or contract or any other method. The sale must be for cash, however, and all payments for the real property must be scheduled to be paid not more than ten years after the date of execution of the agreement or contract of sale. No real property will be sold for less than an aggregate price equal to its fair market value as determined by an appraisal obtained by the District not more than 180 days prior to the publication of the notice required below. The appraisal will be conclusive of the property's fair market value for the purposes of these provisions.

**PROCEDURES PRIOR TO SALE**

Prior to selling or executing any agreement or contract for the sale of the real property, the Board will comply with the following procedures:

1. Determine which real estate is proposed to be sold.
2. Determine the scope of the terms and conditions upon which it will consider selling the real property, and, if the sale price is to be paid

in installments, require the purchasers to secure the payment of the sale price by escrowing collateral acceptable to the Board.

3. Publish a notice to prospective purchasers at least two weeks prior to the date set for receiving proposals in a real estate journal and in at least two newspapers of general circulation in the District, requesting sealed written proposals from prospective purchasers to purchase the real property. The notice must include the scope of the terms and conditions of sale that will be considered, and the time, date, and place where the proposals will be received.
4. Find and determine by order duly passed by the Board which sealed written proposal is most advantageous to the District, and accept such proposal, or reject all proposals if deemed advisable.

#### VOTER APPROVAL

Prior to selling the real property, the sale will have been approved by a majority of the qualified voters of the District voting at an election held in the District at which a proposition to ascertain such approval is submitted.

No election will be required if the Board finds and determines by order duly passed that the proceeds from the sale of the real property are required and will be used for the construction and/or equipment of, or for the payment or principal of, and any interest and premium on, bonds issued under these provisions for the purpose of construction or equipment of a school building that is to be constructed pursuant to or in accordance with an order or judgment entered by a U.S. district judge in any action or cause in which the District is a party.

*Derived from Education Code 45.082*

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**Note:** Sales of real property effected under Chapter 45, Subchapter D, of the Texas Education Code are exclusively governed by its provisions.

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## CONFLICT WITH ANOTHER LAW

The notice provisions stated in item 3, above, supersede the notice requirements set out in Section 272.001, Local Government Code, Chapter 26 [see CDB]. *Derived from Education Code 45.083*

The District is authorized to execute contracts for the constructing or equipping of school buildings in the District or the purchase of any necessary sites therefor in the manner provided by law. If a contract recites that payments thereunder are to be made either from the proceeds from the sale of real property under an installment sale agreement or any similar method pursuant to these provisions or from proceeds from the sale of bonds issued pursuant to these provisions, then the contract may be made payable in installments to correspond with the District's receipt of either the proceeds under any such sale agreement, or the proceeds from the sale of any such bonds that are to be issued and delivered in more than one issue, series, or installment. The contract will not be deemed to constitute a prohibited debt or indebtedness of the District if the payments are required to be made solely from the proceeds from such sale of real property or such bonds. *Derived from Education Code 45.084*

APPROVED – JANUARY 2015