

IAD--DISPOSAL OF SCHOOL REAL ESTATE

RECOMMENDED

IAD - SALE OF DISTRICT REAL PROPERTY

Purpose

The purpose of this policy is to establish guidelines and procedures for the sale of real property owned by the Hope-Page School District. This policy aims to ensure transparency, accountability, and the responsible management of District assets while complying with all relevant laws and regulations.

Definitions

For the purposes of this policy:

- *Real Property* is land, buildings, structures, and other permanent improvements owned by the District.
- *Appraisal* is a valuation of real property by the estimate of an authorized person.
- *Public Sale* is a sale conducted openly through auction or sheriff's sale. Usually, public notice and advertisement are made before the sale as notice to general public. In a public auction sale there will be competitive bidders and the real property is sold to the highest bidder.
- *Fair Market Value* is the most probable price that real property can be sold for in the open market by a willing seller to a willing buyer, neither acting under compulsion and both exercising reasonable judgment. Given these conditions, an asset's fair market value should represent accurate valuation or assessment of its worth.

Property Valuation

Prior to the sale of district real property, the District shall obtain a professional appraisal of the real property to determine its value. The appraisal shall be conducted by a certified appraiser with experience in valuing real estate in the local market. The District may also consider obtaining multiple appraisals to ensure an accurate valuation. Real property belonging to the District shall be sold for no less than the fair market value unless the sale would fall under the exception contained in NDCC 15.1-12-19 or another lawful exception. The Board President and/or Superintendent may hire a broker to assist with the sale and pay the broker from the proceeds of the sale.

Board Approval

The sale of any real property owned by the District shall require the approval of the Board. The Board shall review the appraisal(s) and any other relevant information before making a decision on the sale. The Board shall make a final determination on whether to proceed with the sale of the real property after considering all relevant factors, including educational needs, financial considerations, and community feedback.

Competitive Bidding

The Board may advertise for bids or may sell the real property outright at a public sale. All potential buyers shall be invited to submit sealed bids in accordance with the District's bidding procedures. The bid process shall be transparent, and all bids shall be opened publicly, with the winning bid being awarded to the highest responsible bidder. If bids are requested and none are received, then the real property may be sold at a private sale.

Private Sale

If the Board determines competitive bidding is not necessary, the real property may be sold at a private sale. The Board may determine competitive bidding is not necessary due to:

- The use of the real property;
- The location of the real property;
- The characteristics of the real property;
- The value of the real property;
- The existence of a potential buyer;

- Other relevant factors deemed relevant by the Board.

Terms and Conditions of Sale

The terms and conditions of the sale shall be established in a written agreement, subject to the approval of the Board. The agreement shall include, at a minimum, the purchase price, payment terms, closing date, and any conditions or contingencies. The District shall ensure that all legal requirements, including environmental assessments and zoning approvals, are met before completing the sale.

Use of Sale Proceeds

The proceeds from the sale of real property shall be deposited into the District's general fund or building fund as determined by School Board.

Compliance with Applicable Laws

The District shall comply with all federal, state, and local laws and regulations governing the sale of real property. The District may seek legal counsel to ensure compliance with all legal requirements.

Recordkeeping

The District shall maintain records of all transactions related to the sale of real property, including appraisals, bids, agreements, and financial transactions, in accordance with applicable record retention policies. The District shall also contact the appropriate county recorder(s) to ensure the sale of the real property is properly recorded.

End of Hope-Page School District Policy IAD..... Adopted: 1/2025