

## Leasing Public School Land

This act establishes a three-year pilot program to generate revenue through the lease of public school lands at up to five sites that would be used for public purposes such as workforce housing, building and retrofitting schools and the creation of more “school-centered communities.” The selection of the potential sites would be determined by the State Board of Education and all revenue generated from the pilot program would be deposited into the state’s school facilities account. The Department of Education would be tasked with providing periodic status report updates on the redevelopment projects and leasing activities.

Submitted as:

Hawaii

[SB 237](#)

Status: Signed into law on June 25, 2013.

### Suggested State Legislation

(Title, enacting clause, etc.)

- 1 Section 1. [*Short Title.*] Related to Public School Lands.  
2
- 3 Section 2. [*Findings.*]  
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- 5 Section 3. [*Pilot program for lease of public school land.*]  
6 (a) There shall be established within the department a pilot program for the lease of public  
7 school land, including facilities. The department, in consultation with the board of education  
8 and any other appropriate agency, shall serve as the facilitator of the pilot program.  
9 (b) Notwithstanding [Insert citation] or any other law to the contrary, the department may lease  
10 public school land on terms it deems appropriate; provided that:  
11 (1) The board may identify and select up to five public school land sites as candidates for  
12 participation in the pilot program; provided that:  
13 (A) During the identification and selection process, the board shall be subject to [Public  
14 Agency Meetings and Records law], shall hold at least one public meeting in each  
15 affected community, and shall foster school and community participation; and  
16 (B) If the site is on land owned by the county, the department shall consult with the  
17 county;  
18 (2) The department may lease public school land for no more than three public school land  
19 sites identified and selected by the board pursuant to paragraph (1) under leases for a  
20 term of not more than fifty-five years per lease, unless extended pursuant to [Insert  
21 citation], to lessees who shall be required to modify, construct, or utilize facilities to meet  
22 public purposes, including workforce rental housing units, in accordance with specific  
23 request for proposal or request for information guidelines; and  
24 (3) Each lease shall stipulate that the lessee may retain any revenue generated from the  
25 facilities; provided that:  
26 (A) The lessee shall be obligated to maintain and operate the facilities for a public  
27 purpose for the length of the lease;

- (B) The lessee shall be obligated to pay to the county all applicable property tax on the value of any improvements;
- (C) A leasehold premium may be charged to the lessee for the right to use the public school land based on a competitive bid process;
- (D) Upon the expiration of the lease, the facilities shall revert to the department; and
- (E) All revenues and proceeds derived by the State under this section shall be deposited in the school facilities subaccount pursuant to section 4.

- (c) Any redevelopment involving nonschool purposes shall:
  - (1) Comply with county plans, ordinances, and zoning and development codes; and
  - (2) Acquire all required government approvals and permits.
- (d) Nothing in this section shall preclude the department from working with and receiving assistance from any other department or agency in carrying out the purposes of this section.
- (e) Any lease entered into by the department pursuant to subsection (b) shall be fully executed no later than five years from the effective date of this section.

Section 4. [*School facilities subaccount.*]

- (a) All proceeds from the leases, permits, interest income generated from public school lands, and other revenue generated from the non-permanent disposition of public school lands, including facilities, pursuant to section 3 shall be deposited into the school facilities subaccount established pursuant to section 5 (b).
- (b) Except as otherwise provided, all moneys in the school facilities subaccount shall be used exclusively for the new construction and upgrade of twenty-first century school facilities, as well as the repair and maintenance of existing school facilities."

Section 5 [*Use of school facilities and grounds.*]

- (a) All public school buildings, facilities, and grounds shall be available for general recreational purposes, and for public and community use, whenever these activities do not interfere with the normal and usual activities of the school and its pupils. Any other law to the contrary notwithstanding, the department shall adopt rules under [Insert citation] as are deemed necessary to carry out the purposes of this section and may issue licenses, revocable permits, concessions, or rights of entry to school buildings and grounds for such periods of use as deemed appropriate by the department. All such dispositions, including those in excess of fourteen days, need not be approved by the board of land and natural resources; provided that approval by the board of land and natural resources shall be required when the dispositions are for periods in excess of a year. The department may assess and collect fees and charges from the users of school buildings, facilities, grounds, and equipment, which include fees and charges assessed and collected by the department for parking on roadways and in parking areas under the jurisdiction of the department, pursuant to [Insert citation]. The fees and charges shall be deposited into a separate fund and expended by the department under rules as may be adopted by the board; provided that any parking fees assessed and collected by a school shall be deposited to the credit of that school's nonappropriated local school fund account.
- (b) A separate subaccount of the fund established pursuant to subsection (a), to be known as the school facilities subaccount, shall be established for all proceeds from the leases, permits, interest income generated from public school lands, and other revenue generated from the

1 non-permanent disposition of public school lands, including facilities, pursuant to section  
2 3. The subaccount shall be governed by section 4."  
3

4 Section 6. [*Reporting.*]

5 The [department of education] shall submit a report to the legislature no later than twenty days  
6 prior to the convening of the regular session of [Insert year] and each regular session thereafter  
7 until the completion of each project authorized pursuant to this Act. The report shall provide the  
8 following:

- 9 (1) A timeline for the pilot program pursuant to this Act, including but not limited to:  
10 (A) A timeline for the redevelopment of each selected site;  
11 (B) An estimate start and completion date for each selected site; and  
12 (C) Estimates for the time required to obtain any necessary county or state approvals  
13 required to complete the redevelopment of each site;  
14 (2) A summary of the department of education's activities, results, and recommendations to  
15 optimize the use of public school lands as a means to build or renovate twenty-first  
16 century schools and school-centered communities;  
17 (3) A summary of all school and community engagement efforts undertaken or that will be  
18 undertaken by the department of education in carrying out the pilot program pursuant to  
19 this Act;  
20 (4) A summary of the department of education's current and projected budgeted expenses,  
21 including the identification of any contracts with third parties and the creation of  
22 temporary positions within the department in carrying out the pilot program pursuant to  
23 this Act;  
24 (5) A summary of any capacity and funding issues or challenges the department of education  
25 has encountered in carrying out the pilot project pursuant to this Act; and  
26 (6) Any proposed legislation.  
27

28 Section 7. [*Appropriations.*]

29 Section 8. [*Severability.*] Insert severability clause.  
30

31 Section 9. [*Repealer.*] Insert repealer clause.  
32

33 Section 10. [*Effective Date.*] Insert effective date.  
34