

AMENDED IN ASSEMBLY APRIL 26, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2434

Introduced by Assembly Member Block

February 24, 2012

An act to amend Section 17463.7 of the Education Code, relating to school districts.

LEGISLATIVE COUNSEL’S DIGEST

AB 2434, as amended, Block. School districts: surplus school property.

Existing law, until January 1, 2014, authorizes a school district that meets prescribed requirements to deposit the proceeds from the sale of surplus school property, together with any personal property located on that property, purchased entirely with local funds, into the general fund of the school district and to use those proceeds for any one-time general fund purpose.

This bill would extend the operation of this provision to January 1, 2019 2016, and would make a conforming change with respect to a certain final report.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17463.7 of the Education Code is
- 2 amended to read:
- 3 17463.7. (a) Notwithstanding any other law, a school district
- 4 may deposit the proceeds from the sale of surplus real property,

1 together with any personal property located on the property,
2 purchased entirely with local funds, into the general fund of the
3 school district, and may use the proceeds for any one-time general
4 fund purpose. If the purchase of the property was made using the
5 proceeds of a local general obligation bond or revenue derived
6 from developer fees, the amount of the proceeds of the transaction
7 that may be deposited into the general fund of the school district
8 may not exceed the percentage computed by the difference between
9 the purchase price of the property and the proceeds from the
10 transaction, divided by the amount of the proceeds of the
11 transaction. For the purposes of this section, proceeds of the
12 transaction means either of the following, as appropriate:

13 (1) The amount realized from the sale of property after
14 reasonable expenses related to the sale.

15 (2) For a transaction that does not result in a lump-sum payment
16 of the proceeds of the transaction, the proceeds of the transaction
17 shall be calculated as the net present value of the future cashflow
18 generated by the transaction.

19 (b) The State Allocation Board shall reduce an apportionment
20 of hardship assistance awarded to the particular school district
21 pursuant to Article 8 (commencing with Section 17075.10) by an
22 amount equal to the amount of the sale of surplus real property
23 used for a one-time expenditure of the school district pursuant to
24 this section.

25 (c) If the school district exercises the authority granted pursuant
26 to this section, the school district is ineligible for hardship funding
27 from the State School Deferred Maintenance Fund under Section
28 17587 for five years after the date proceeds are deposited into the
29 general fund pursuant to this section.

30 (d) Before a school district exercises the authority granted
31 pursuant to this section, the governing board of the school district
32 shall first submit to the State Allocation Board documents
33 certifying the following:

34 (1) The school district has no major deferred maintenance
35 requirements not covered by existing capital outlay resources.

36 (2) The sale of real property pursuant to this section does not
37 violate the provisions of a local bond act.

38 (3) The real property is not suitable to meet projected school
39 construction needs for the next 10 years.

1 (e) Before the school district exercises the authority granted
2 pursuant to this section, the governing board of the school district,
3 at a regularly scheduled meeting, shall present a plan for expending
4 one-time resources pursuant to this section. The plan shall identify
5 the source and use of the funds and describe the reasons why the
6 expenditure will not result in ongoing fiscal obligations for the
7 school district.

8 (f) The Office of Public School Construction shall submit an
9 interim and a final report to the State Allocation Board and the
10 budget, education policy, and fiscal committees of the Legislature
11 that identifies the school districts that have exercised the authority
12 granted by this section, the amount of proceeds involved, and the
13 purpose for which those proceeds were used. The interim report
14 shall be submitted by January 1, 2011, and the final report by
15 January 1, ~~2019~~ 2016.

16 (g) This section shall remain in effect only until January 1, ~~2019~~
17 2016, and as of that date is repealed, unless a later enacted statute,
18 that is enacted before January 1, ~~2019~~ 2016, deletes or extends
19 that date.