

# ASSEMBLY, No. 5197

## STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MARCH 18, 2019

**Sponsored by:**

**Assemblyman RONALD S. DANCER**

**District 12 (Burlington, Middlesex, Monmouth and Ocean)**

**Co-Sponsored by:**

**Assemblywoman Vainieri Huttie**

**SYNOPSIS**

Authorizes board of education to lease certain property.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 5/24/2019)**

1 AN ACT concerning the leasing of school property and  
2 supplementing chapter 20 of Title 18A of the New Jersey  
3 Statutes.

4  
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
6 *of New Jersey:*

7  
8 1. a. Notwithstanding the provisions of section 1 of P.L.1978,  
9 c.91 (C.18A:20-8.2) or any other section of law to the contrary, and  
10 except as otherwise provided pursuant to section 14 of P.L.2007,  
11 c.137 (C.18A:7G-45), whenever any board of education shall by  
12 resolution determine that any tract of land, whether there is a  
13 building thereon or not, is not necessary for school purposes, but  
14 which it does not desire to dispose of, the board may authorize the  
15 lease thereof for a term extending beyond the official life of the  
16 board, but which does not exceed any limit on the maximum term of  
17 a lease that may be established pursuant to law for lease agreements  
18 entered into by public entities; provided that the board awards the  
19 lease to the highest bidder after advertisement of the request for  
20 bids to lease in a newspaper published in the school district, or if  
21 none is published therein, then in a newspaper circulating in the  
22 district, at least once a week for two weeks prior to the date fixed for  
23 the receipt and opening of bids.

24 b. In the event that a board of education leases a tract of land  
25 pursuant to subsection a. of this section, on which there is situated a  
26 school building, the terms of the lease may authorize the lessee to  
27 demolish the school building and to compensate the school district  
28 for the value of the school building in accordance with any terms  
29 that may be included in the lease agreement.

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31 2. This act shall take effect immediately.

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34 STATEMENT

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36 This bill authorizes a board of education to lease land on which  
37 there may, or may not be, a school building when the board  
38 determines that the land is not necessary for school purposes but the  
39 board does not want to dispose of it. The lease may extend beyond  
40 the official life of the board but may not exceed any limit  
41 established pursuant to law on the maximum term of a lease that  
42 may be entered into by public entities. The lease will be binding  
43 upon future boards of education provided that the current board of  
44 education awards the lease to the highest bidder after advertisement  
45 for bids to lease published in a newspaper at least once a week for  
46 two weeks prior to the date fixed for the receipt and opening of  
47 bids.

1       The bill also provides that in the event that a board of education  
2 leases a tract of land on which a school building is located, the  
3 terms of the lease may authorize the lessee to demolish the school  
4 building and to compensate the school district for the value of the  
5 school building in accordance with any terms that may be included  
6 in the lease agreement.

7       The purpose of this bill is to provide another avenue for school  
8 districts to realize a steady stream of revenue. Under current law, a  
9 board of education may sell a tract of land or a school building  
10 which it has determined is no longer necessary for school purposes.  
11 A board of education may also lease a tract of land or building if it  
12 does not wish to dispose of it due to the fact that it may be  
13 necessary for school purposes at some point in the future. Currently  
14 any such lease that will be in excess of five years must be approved  
15 by the Commissioner of Education. This bill will allow a board of  
16 education to lease rather than sell a tract of land that is no longer  
17 needed for school purposes. The ability to lease the land will allow  
18 a school district to realize a steady stream of revenue over a period  
19 of years, which may be more advantageous to the district than  
20 absorbing a lump sum payment during one school budget year.