

Regular Session, 2010

HOUSE BILL NO. 729

BY REPRESENTATIVE CARMODY

PUBLIC BUILDINGS/GROUNDS: Provides with respect to the sale of surplus property by school boards

1 AN ACT

2 To amend and reenact R.S. 41:892(C), (D), and (E) and to enact R.S. 41:892(F), relative to
3 surplus property of school boards; to provide relative to the minimum bid which may
4 be accepted when a school board attempts to sell such property; and to provide for
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 41:892(C), (D), and (E) are hereby amended and reenacted and R.S.
8 41:892(F) is hereby enacted to read as follows:

9 §892. Procedure; deed of sale

10 * * *

11 C. On the day named in the advertisement, the property shall be sold at
12 public auction at the school board office, between the hours of eleven ~~o'clock A.M.~~
13 a.m. and four ~~o'clock P.M.~~ p.m., with appraisalment, to the last and highest bidder,
14 upon such terms and conditions as the school board shall determine. The deeds shall
15 contain the usual security clauses and a stipulation to pay ten per cent attorney's fees
16 in the event it becomes necessary to secure the services of an attorney for the
17 purpose of collection. ~~In the event~~ If the highest bid received is not equal to or
18 greater than the appraisalment of the property minimum bid as provided in Subsection
19 E of this Section, the sale shall be cancelled and no bid shall be accepted.

1 D. On the date named in the advertisement if the property is to be sold under
2 sealed bids, the bids shall be opened in the offices of the school board at the hour
3 designated in the advertisement. The property shall be sold to the highest bidder
4 upon such terms and conditions as the school board shall determine. The deed shall
5 contain the usual security clauses and a stipulation to pay ten ~~per cent~~ percent
6 ~~attorney's attorney~~ fees in the event it becomes necessary to secure the services of
7 an attorney for the purpose of collection. The school board shall reserve the right to
8 reject any and all bids, and all bids shall be rejected ~~in the event if~~ the highest bid
9 received is not equal to or greater than the ~~appraised value of the property to be sold~~
10 minimum bid as provided in Subsection E of this Section.

11 E.(1) The first time a school board offers a particular property for sale
12 pursuant to this Section, the minimum bid shall be eighty-five percent of the
13 appraised value of the property.

14 (2) If the school board fails to sell the property because the maximum bid
15 received was not equal to or greater than the minimum bid established in Paragraph
16 (1) of this Subsection, the school board may make a second effort to sell the property
17 following the procedures outlined in this Section. The minimum bid for a second
18 effort to sell the same property shall be eighty percent of the appraised value.

19 (3) If the school board has twice failed to sell property because the maximum
20 bid received was not equal to or greater than the minimum bid otherwise provided
21 in this Subsection, there shall be no minimum bid at the third effort to sell the
22 property, and the school board may sell the property to the highest bidder as
23 otherwise provided by this Section.

24 F. The deed of the president of the school board shall be full and complete
25 evidence of the sale, shall convey a good and valid title to the property sold, and
26 shall have the force and effect of a notarial act.

27 Section 2. This Act shall be applied prospectively only. No sale attempted prior to
28 the effective date of this Act or for which notice as required by R.S. 41:892(B) has been

1 given at least once prior to the effective date of this Act constitutes an effort to sell as
2 contemplated by R.S. 41:892(E) as amended by this Act.

3 Section 3. This Act shall become effective upon signature by the governor or, if not
4 signed by the governor, upon expiration of the time for bills to become law without signature
5 by the governor, as provided in Article III, Section 18 of the Constitution of Louisiana. If
6 vetoed by the governor and subsequently approved by the legislature, this Act shall become
7 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Carmody

HB No. 729

Abstract: Provides relative to the minimum bid when a school board is selling surplus property as follows: 85% of appraised value at 1st attempt to sell, 80% of appraised value at second attempt to sell, and no minimum bid at third attempt. Present law provides that appraised value is the minimum for which property may be sold.

Present law authorizes a local school board to sell immovable property no longer needed for school purposes at public auction or under sealed bids. Prior to such sale, the school board is required to advertise the sale. Present law specifies procedures for such advertising. Provides procedures for both public auction and sale under sealed bid. Proposed law retains present law.

Present law provides that the minimum bid for a sale by either procedure is the appraised value of the property; prohibits sale for less than the appraised value.

Proposed law provides relative to the minimum bid at such sales. Provides that at the first effort to sell, the minimum bid is 85% of the appraised value. If the school board receives no bids that are equal to or greater than the minimum bid, it may attempt to sell the property again, and the minimum bid at such second sale is 80% of the appraised value. If the property again fails to sell, there is no minimum bid at the third attempt to sell.

Proposed law provides that it is prospective only and that any attempt to sell that was begun prior to the effective date of proposed law is not considered an attempt to sell under proposed law.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 41:892(C), (D), and (E); Adds R.S. 41:892(F))