Sale or Lease of Unused and Unnecessary Lands and Buildings

**24 P.S. §7-707**

**DATE OF ISSUE:** July 1, 2007

**DATE OF EXPIRATION:** June 30, 2013

**REPLACES:** Sale and Lease of Unused and Unnecessary Land and Buildings BEC 24 P.S. § 7-707 issued July 1, 2001

This BEC concerns the sale or lease of school facilities that are receiving Commonwealth reimbursement for debt service or authority rental payments. When a building is sold by a school district, reimbursement by the Commonwealth ceases. The school district must notify the Pennsylvania Department of Education (PDE) of any sale of school facilities.

When a building is leased by the school district as lessor, §349.30, Sale or Lease of School Buildings, of the Department of Education School Building Standards, specifies that the proceeds from the lease must be used to reduce the reimbursable amortization of the building. The net annual lease proceeds must be reported on PDE Form 2071, Application for Reimbursement for School Construction Project, at the end of each lease year. The net annual lease proceeds is the lease amount minus any costs incurred by the school district for operation, maintenance, taxes and insurance for the building.

The net annual proceeds must be applied to reduce Commonwealth reimbursement on the next semi-annual debt service or authority rental payment. If the net annual proceeds exceed the next semi-annual payment, but do not exceed the total annual payments, Commonwealth reimbursement of each semi-annual payment will be reduced equally. If the net annual proceeds exceed the annual debt service or authority rental payment, the Commonwealth will not reimburse annual debt serve or authority rental payments. Applications should be submitted reflecting that no reimbursement is due the school district.

**REFERENCES:**

**Purdon's Statutes**

24 P.S. §7-707
24 P.S. §7-709

**Department of Education Standards**

22 Pa. Code §349.30
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