

No. 323

AN ACT

HB 2479

Amending the act of March 10, 1949 (P.L.30), entitled "An act relating to the public school system, including certain provisions applicable as well to private and parochial schools; amending, revising, consolidating and changing the laws relating thereto," making a technical change, providing for the lease of buildings for school use and for reimbursement to school districts for lease of buildings for school use.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Section 631, act of March 10, 1949 (P.L.30), known as the "Public School Code of 1949," amended June 1, 1972 (Act No. 89), is amended to read:

Section 631. Power to Incur Debt; Limitations.—The board of school directors in any school district may, in any year, create and incur an indebtedness against such school district and issue bonds to secure the same, payable as provided by the [act, approved the twenty-fifth day of June, one thousand nine hundred forty-one (Pamphlet Laws 159), known as the "Municipal Borrowing Law,"] *act of July 12, 1972 (Act No. 185), known as the "Local Government Unit Debt Act,"* or any amendment or re-enactment thereof, for any or all of the following purposes:

- (1) To purchase or acquire proper sites, buildings or grounds for school use, or any lands additional to any existing school sites or grounds;
- (2) To erect, enlarge, equip or furnish any building for school use;
- (3) To repair, remodel or rebuild any building of the school district;
- (3.1) To lease for an extended period building facilities or portions of buildings constructed for school use and/or existing building facilities or portions of existing building facilities altered for school use;*
- (4) -To purchase school buses;
- (5) To pay any indebtedness incurred by any municipality for or on account of the school district or for school purposes, and required by this act to be assumed by the school district;
- (6) To pay any refund of taxes decreed by an order of court;
- (7) To refund certain bonds, as hereinafter provided;
- (8) To fund floating indebtedness incurred for current expenses and debt service;
- (9) To fund temporary indebtedness incurred for permanent improvements, or in anticipation of proceeds from a bond issue;
- (10) To purchase or acquire buildings for school use.

The indebtedness of any school district shall never exceed fifteen (15) per centum of the last assessed valuation of property taxable for school purposes therein.

Section 2. The act is amended by adding sections to read:

Section 703.1. Lease of Buildings or Portions of Buildings Constructed or Altered for School Use.—The board of school directors of any district is hereby vested with the power and authority to lease for an extended period of five (5) years or more, with or without provisions for acquisition of same, buildings or portions of buildings constructed for school use and/or other buildings or portions of buildings altered for school use provided such buildings comply with standards and regulations established by the State Board of Education and the Department of Labor and Industry.

Section 731.1. Approval of Lease Agreements.—No building facilities for school use authorized under the provisions of section 703.1, shall be leased by any school district until such lease agreement has been approved by the Department of Education. Such approval shall not be given unless the building facilities to be leased meet the standards required to operate public school buildings in use in the Commonwealth.

Section 2574.2. Approved Reimbursable Annual Rental for Leases of Buildings and Facilities for School Use.—For extended leases of buildings and facilities for school use authorized under the provisions of section 703.1 which have been approved by the Secretary of Education, the Department of Education shall calculate an approved reimbursable annual rental charge.

Approved reimbursable annual rental for such approved leases of building facilities constructed for school use shall be the lesser of (i) the product of the annual rental payable under the provisions of the approved lease agreement times the ratio of the pupil scheduled area to the architectural area, or (ii) the product of the rated pupil capacity as determined by the Department of Education at the time of initial lease times one hundred sixty dollars (\$160) for elementary schools, two hundred twenty dollars (\$220) for secondary schools, or two hundred seventy dollars (\$270) for area vocational-technical schools.

Annual approved rental payable for approved leases of existing facilities altered for school use shall be the lesser of (i) the product of the annual rental payable under the provisions of the approved lease agreement times the ratio of the pupil scheduled area to the architectural area, or (ii) the product of the rated pupil capacity, as determined by the Department of Education at the time of initial lease, times one hundred twelve dollars (\$112) for elementary, one hundred fifty-four dollars (\$154) for secondary, or one hundred eighty-nine dollars (\$189) for area vocational-technical schools.

Section 2575.2. Payments on Account of Approved Rental for Leases of Buildings and Facilities for School Use.—The Commonwealth shall pay, annually, for the school year 1972-73 and each school year thereafter to each school district which leases with the approval of the Department of Education buildings and facilities for school use under

the provisions of section 703.1, an amount to be determined by multiplying the district's aid ratio by the approved reimbursable annual rental.

In the case of districts eligible under density factor the minimum annual payment shall be no less than fifty per centum (50%) of the approved reimbursable annual rental.

Section 3. This act shall take effect immediately.

APPROVED—The 6th day of December, A. D. 1972.

MILTON J. SHAPP

The foregoing is a true and correct copy of Act of the General Assembly No. 323.

A handwritten signature in cursive script, reading "C. DeLoe Tucker".

Secretary of the Commonwealth.