

*To enrich the lives of California's school children as stewards
of the taxpayers' commitment to education.*

Unused Site Program Handbook

**A guide to assist with non-use payments required for district-owned
properties that are not utilized for school purposes**

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Section 1

Overview

Introduction

The purpose of this handbook is to advise school districts and county superintendent of schools of non-use payments hereinafter called “the fee” required for district owned properties that are not being utilized for school purposes and to provide implementation policies utilized for the administration of this program.

Administration

The State Allocation Board (SAB) is responsible for the administration of this program. The Office of Public School Construction (OPSC) is staff to the SAB, and responsible for the day to day operation of the program and development of a statewide unused site list. Any requests for information, or the delivery of all correspondence should be addressed to the following:

- » Office of Public School Construction
Attn: Unused Site Program
707 Third Street
West Sacramento, CA 95605
- » Updates to manuals and forms can be found on our website at www.dgs.ca.gov/opsc.

The Law

The Unused Site Program became Law in 1974 and requires that districts and county superintendent of schools be subject to the fee for district properties that *are not* used for school purposes after specific time periods.

The provisions of this program are governed by the Education Code (EC) Sections 17219 through 17224. In addition, the SAB has adopted regulations set forth in Title 2, Subgroup 10, California Code of Regulations, commencing with Sections 1864.1 through 1864.10 which effect the administration of this program.

Reporting Requirements

OPSC has developed the *Certification of Unused Sites*, Form SAB 423, which is sent to all districts annually to address the status of each districts unused sites. Each district is required to complete and return this form to OPSC by July 1, of each year. The form is designed to allow the district to certify certain information about a site.

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Section 2

Unused Site

Definition

For purposes of EC Section 17219 et. seq., a site is considered “unused” unless it meets at least one of the following exclusions:

- » The site is currently used for the specific purposes for which it was acquired. This means use as an active K–12 school. A district may substitute a site acquired for use at one grade level for use at another grade level.
- » The site is currently used to house students for any California Department of Education program (including Adult Education) authorized by the Legislature, and operated by public school districts for which the district is receiving State School Fund apportionments.
- » The site is currently used to house Special Education students.
- » The site is currently used for district administration purposes including such support services as warehousing and maintenance facilities.
- » The site is currently used for preschool or child care centers when operated by or under contract with a public school district or a county superintendent of schools.
- » The site is currently used for a community college if attendance is allowed for high school students in the eleventh or twelfth grade.

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Section 3

How to Determine the Value of a Site

Acquisition Value

For purposes of the unused site program, the acquisition value of a site is determined based on the value of the land and structure(s) at the time of acquisition.

Adjusted Value

Once the acquisition value of the site has been determined, it is modified annually by a factor that reflects the change in assessed value of all lands in the State from the date of purchase to the current date. This amount is called the “adjusted value”. Any improvements including buildings added after acquisition are not to be included in the adjusted value of the site.

Alternative to the Adjusted Value

As an alternative to the adjusted value the district may submit an appraisal of the site by either a qualified independent appraiser or from the county assessor. Should this be the case, the adjusted value will be modified using this appraisal to determine the adjusted value in subsequent years. This will alleviate the district from submitting an updated appraisal each year to determine subsequent adjusted values.

Gift of Site

If the district acquires a site as a gift or for a nominal amount, the SAB will assign a reasonable amount to the site that reflects the current adjusted value based on other sites located in that area. Should the district believe the assigned adjusted value is unreasonable, it may challenge this cost by submittal of a current appraisal by either a qualified independent appraiser or from the county assessor.

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Section 4

Assessment of the Fee

SAB Determination

The SAB makes a determination that a site(s) is subject to the fee on a fiscal year basis. The SAB certifies to the State Controller the amount to be deducted from the district's State School Fund apportionments.

Calculation of the Fee

The fee is assessed on an annual basis. For the 2014-15 fiscal year, it is equal to 1.07 percent (1.07%) of the adjusted value of the site (see "Adjusted Value" in Section 3, How to Determine the Value of a Site).

When Fees will be Assessed

All newly acquired sites and previously used sites are not subject to the fee until after the following time periods:

TIME PERIOD	NEWLY ACQUIRED SITE	PREVIOUSLY USED SITE
Five years from the date...	<p>...of acquisition for all elementary districts with any grade combination of K through 8.</p> <p>...of acquisition of all unified districts with sites designated for K through 6 grade use.</p>	...last used as an active school for one of the exclusions outlined in Section 2, Unused Site. This applies to all districts, regardless of grade level.
Seven years from the date...	...of acquisitions for all unified and high school districts with sites designated for 7 through 12 grade use.	

Once the five or seven year time period has expired, the fee will be assessed beginning in the fiscal year following the fiscal year that site is subject to the fee. For example, if the time period expires during the 2003-04 fiscal year, the fee will be assessed beginning in the 2005-06 fiscal year.

Although these sites will not be assessed during the initial five or seven year exclusion period noted above, they must still be reported as unused sites on *Certification of Unused Sites*, Form SAB 423.

Deduction of the Fee

The fee is deducted in four equal installments in February, March, April and May in the fiscal year following the assessment year; however, the fee will not be withheld if it causes the district to receive less than \$120 per pupil of average daily attendance in apportionments during the fiscal year the fees are being withheld. The payments deducted by the Controller are deposited into the State School Site Utilization Fund.

Section 5

Modification of the Fee

Newly Acquired Sites and Previously Used Sites

Annually OPSC provides the *Modification of Unused Site Status*, Form SAB 424 for districts to report all newly acquired sites and any changes to existing unused sites.

Type of Modification

Deleting existing unused sites, adding new school sites, waive the existing fee or reducing the existing fees.

Deletion of Fees

Type of actions to delete a site:

- » Site was sold.
- » If the site is used for any of the provision listed under Section 2, Unused Site, Definition, page 3 of this handbook.
- » Site is under construction.

Acquiring a New Site

Type of action that requires adding a site:

- » Purchased a new site include the following:
 - *Date acquired*
 - *Acquisition Price*
 - *Number of acres*
 - *Grade level*
 - *County Assessor's Parcel Number*
- » Site no longer qualifies as an unused site as it is being used for one of the reasons listed under Section 2, Unused Site, Definition of this handbook.
- » Newly acquired.
- » It was not previously reported.

Waiver of the Fee

Once an unused site is subject to the fee, there are provisions in the law to waive the fee for the following specific reasons and time periods:

- » The district submits documented evidence that the site will be used within a reasonable period of time for one of the exclusions as outlined in Section 2, Unused Site. A reasonable period of time is generally deemed to be no more than three years unless the SAB determines a longer period of time is justified. If a waiver of a site is approved by the SAB, the waiver will begin in the fiscal year the waiver is approved. For example, if the SAB approves a waiver in the 2004–05 Fiscal Year, no fee will be required for that fiscal year.
- » The district may qualify for a one-year waiver if a good faith effort has been made to sell the site at fair market value, but no acceptable bid value was received. The waiver of the fee will apply in the fiscal year the waiver is approved by the SAB.
- » A waiver of the fee is automatically granted when the adjusted value of the site is less than \$46,368 as of the 2014–15 Fiscal Year. This amount is adjusted for inflation each year based on information contained in EC Section 42238.1.
- » The district submits documented evidence that the site is being used for at least ½ of the fiscal year to a tenant who is paying possessory taxes for that fiscal year equal to or greater than one percent (1%) of the current estimated value of the site, and a one-year waiver will be granted.

Reduction of the Fee

The fee may be reduced for a given fiscal year, if a district utilizes the site for at least one-half of that year for one of the following purposes:

ENTITY USING SITE	PURPOSE
District or any governmental agency, pursuant to an agreement with the district:	<ul style="list-style-type: none"> • for public school purposes (see Section 2, Unused Site, Definition) • as a civic center used for the purpose outlined in the EC Section 38131 • community playground • playing field • outdoor recreational purposes
SAB pursuant to agreement with the district:	<ul style="list-style-type: none"> • to store State Relocatable classrooms
District, or any public or private agency, pursuant to agreement with the district:	<ul style="list-style-type: none"> • child care program

Note: Reduction of the fee is based on the acreage or percentage of the site used.

Reduction of the Fee—Debt Service

Pursuant to EC Section 17221, the fee shall be reduced, without regard to fiscal year, by the amount of proceeds, resulting from the lease of district property that is subject to the fee and the lease revenue expended by the district was for the payment of bond debt service costs that are directly related to the actual construction of the school facilities. The reduction shall apply to the fee required in the fiscal year the actual debt service payment is made. No carry over or credit in future years is allowed.

Reduction of the Fee—Subsequent Years

Reduction of the fee may continue in subsequent years, up to two (see “Reduction of the Fee—Debt Service,” above), if the district certifies to the SAB in a timely fashion that the basis for the reduction continues to exist. Timely fashion shall be deemed to be no later than July 1, for the previous fiscal year fee.

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Section 6

Cancellation and/or Refund of the Fee

Conditions

The conditions for cancellation and/or refund of the fee are as follows:

- » If a district either sells or begins to use a site for one of the exclusions outlined in Section 2, Unused Site, within two years from the date the initial fee assessment was deducted from the district's State School Fund apportionment, no fee will be required for the current fiscal year and a refund will be made for the prior fiscal year. No further fees will be assessed.
- » If the site is either sold or used for one of the exclusions outlined in Section 2, Unused Site, after two years from the date the initial fee assessment was deducted from the district's apportionments, the fee for the fiscal year will be canceled and no further fees will be assessed. Timely reporting of the use or sale of sites result in the maximum refund authorized by law.

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Section 7

Forms

The following forms are used in conjunction with the Unused Site Program. It is the user's responsibility to check OPSC's website (SAB Forms) for the most current version of the form as older versions of the form may not be accepted.

Form SAB 423—*Certification of Unused Site.* This form (not available from OPSC website), which is sent to all districts annually, is used to address the status of each district's unused sites. Each district is required to complete and return this form to OPSC by July 1, of each year.

Form SAB 424—*Modification of Unused Site Status.* This form is used by the districts to report all newly acquired sites and any changes to existing unused sites. Each district is required to complete and return this form to OPSC by July 1, of each year. This form can be found on our website at www.dgs.ca.gov/opsc.