§ 1726. Lease and lease-purchase of buildings. 1. Notwithstanding any inconsistent provision of law, the board of education of any union free school district may enter into agreements pursuant to the provisions of this section for the lease or lease-purchase of buildings for school purposes, to be placed or erected on a site owned by the district.

1-a. Notwithstanding any inconsistent provision of law, the board of education of any union free school district may enter into agreement with the dormitory authority for the lease or lease-purchase for school purposes from the dormitory authority of a dormitory (or any part thereof), as defined in section sixteen hundred seventy-six of the public authorities law, including, if the agreement so provides, land, buildings, any attendant facilities, and equipment, provided such dormitory (a) is owned by or in the possession of the dormitory authority, and (b) was originally provided or financed by the authority for an educational institution as defined in subdivision one of section sixteen hundred eighty of the public authorities law and (c) is no longer being used by such educational institution. Any such agreement may provide for the alteration, reconstruction or rehabilitation of any such dormitory or part thereof by the school district or the authority as capital items. The provisions of subdivisions three, four, six, eight and nine of this section shall not apply to any agreement with the dormitory authority authorized by this subdivision, provided, nevertheless, that the lease or lease-purchase agreement may not be made for a period in excess of the applicable period of probable usefulness for the building or buildings, as so altered, reconstructed or rehabilitated, and provided, further, that the plans and specifications for such building or buildings, as so altered, reconstructed or rehabilitated, shall be subject to approval of the commissioner of education, before such alteration, reconstruction or rehabilitation may be authorized by the board of education of such school district.

2. Before executing any such agreement, the board of education shall adopt a resolution determining that such agreement is in the best financial interests of the school district and stating the basis of that determination.

3. Such agreements shall be subject to the bidding requirements of the general municipal law, except that the provisions of section one hundred one of the general municipal law shall not apply to lease or lease-purchase of pre-manufactured items delivered to the site, but shall apply to installation and other work to be performed on the site.

4. No agreement for the lease of a building or buildings may be made for a term of more than five years, beginning with the time of occupancy. No lease-purchase agreement may be made for a period exceeding the applicable period of probable usefulness pursuant to the provisions of the local finance law. Nothing herein contained shall be deemed to prohibit a board of education from entering into a renewal of such lease agreement of such building or buildings for like periods, provided, however, that the total lease payments or the total amount of lease-purchase agreement payments over the period of any such agreement including all lease renewals, may not exceed the purchase price of such building or buildings, together with interest of not to exceed six percent per annum on any unpaid balance.

5. A board of education may not enter into any lease or lease-purchase agreement authorized by this section without the previous approval of the voters of the district; provided that a board of education may, with the approval of the commissioner, lease necessary space in case of an unforeseeable emergency.

6. Any agreement by which a building is leased to a school district for installation on land owned by the district must include provision for the removal of such building by the lessor within ninety days after termination of the lease, unless such lease is renewed or title to the building passes to the school district in accordance with the provisions of this section.

7. The commissioner, with the approval of the director of the budget, shall establish a uniform procedure for allocation of payments under lease-purchase agreements for the purpose of determining operating aid and aid for building purposes, respectively; provided, however, that no building aid shall be paid unless and until the school district has

legally committed itself to the purchase in accordance with the provisions of this section.

8. Plans and specifications and the proposed lease, lease renewal or lease-purchase agreement for buildings to be leased or purchased pursuant to the provisions of this section must be approved by the commissioner before a board of education may authorize or execute any agreement, or renewal thereof, for such purposes.

9. The term "lease", as used in this section, shall include a lease with an option to purchase; provided, however, that in the case of a lease with an option to purchase, no part of any lease payments may be counted against the purchase price, in case the option to purchase is exercised.

10. The term of no lease agreement including renewals thereof, may exceed the period of probable usefulness provided for such building or buildings by the local finance law.

11. No annual installment of lease-purchase payment may exceed any other such installment under any such agreement by more than fifty per centum thereof.

12. Any school district entering into any lease-purchase agreement under this section, shall pledge its full faith and credit for the full performance of all obligations under such agreement, including all annual payments required to be made thereunder.

13. The annual payments to be made by the school district under any such agreement shall commence within two years after the execution of any such agreement, or within thirty days from the time the board of education shall have approved such building for occupancy, whichever shall be later.

14. The total amount of any unpaid annual payments of a lease-purchase agreement in relation to the principal of any such indebtedness, in case of a school district in a city as defined in the local finance law shall

be deemed to be indebtedness of the school district for a capital improvement within the meaning of subparagraph (b) of subdivision three of paragraph a of section 135.00 of the local finance law.

15. The annual payments by such a school district in a city in relation to such indebtedness and interest shall be deemed to be "indebtedness" and "interest" within the meaning of section ten of article eight of the state constitution.

16. No such agreement shall be renegotiated or amended in such manner as to constitute a refunding within the meaning of section two of article eight of the state constitution.