

Regular Session, 2014

SENATE BILL NO. 225

BY SENATOR MURRAY

SCHOOLS. Provides relative to assets or property acquired or used by charter schools under certain circumstances. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 17:3991(H), relative to assets or property acquired or used by or

3 for a charter school; to provide that assets used in management or operation of a

4 charter school under certain circumstances shall be assets acquired by the school; to

5 prohibit lease of property by a school from the entity that operates or manages the

6 school or the affiliates and subsidiaries of such an entity; and to provide for related

7 matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 17:3991(H) is hereby amended and reenacted to read as follows:

10 §3991. Charter schools; requirements; limitations; renewal; amendment; revocation

11 * * *

12 H.(1) Any assets acquired by a Type 1, 1B, 2, 3, 3B, or 5 charter school are

13 the property of that charter school for the duration of that school's charter agreement.

14 Any assets acquired by a Type 4 charter school are the property of the local school

15 board. If the charter agreement of any Type 1, 1B, 2, 3, 3B, or 5 charter school is

16 revoked or the school otherwise ceases to operate, all assets purchased with any

17 public funds become the property of the chartering authority. Assets that become the

1 property of a local charter authorizer pursuant to this Subsection shall be used solely
2 for purposes of operating charter schools. Charter schools ~~are to~~ **shall** maintain
3 records of any assets acquired with ~~any~~ private funds ~~which~~ **that** remain the property
4 of the nonprofit group operating the charter school.

5 **(2) If a charter school enters into an agreement or contract or otherwise**
6 **engages an organization, corporation, or other legal entity to manage or operate**
7 **the school, all assets used in the management or operation of the school shall be**
8 **deemed to be assets acquired by the charter school and shall be subject to the**
9 **provisions of this Subsection.**

10 **(3) A charter school shall not lease property, real, personal, or mixed,**
11 **from the same organization, corporation, or other legal entity with which it has**
12 **contracted for the management or operation of the school or from any affiliate**
13 **or subsidiary thereof.**

14 Section 2. This Act shall become effective upon signature by the governor or, if not
15 signed by the governor, upon expiration of the time for bills to become law without signature
16 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
17 vetoed by the governor and subsequently approved by the legislature, this Act shall become
18 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Alan Miller.

DIGEST

Murray (SB 225)

Present law, relative to assets of charter schools, provides that any assets acquired by a charter school are the property of the school for the duration of the school's charter agreement. Provides, if a school's charter agreement is revoked or the school otherwise ceases to operate, that all assets purchased with any public funds become the property of the chartering authority. (The "chartering authority" is a local school board, a local charter authorizer, or the State Board of Elementary and Secondary Education (BESE). A local charter authorizer is an entity certified by BESE to enter into agreements with chartering groups to establish a charter school.) Provides that assets that become the property of a local charter authorizer pursuant to present law shall be used solely for purposes of operating charter schools. Requires charter schools to maintain records of assets acquired with private funds that remain the property of the nonprofit group operating the charter school. Present law does not apply to Type 4 charter schools, which are chartered by local school boards.

Present law provides that assets acquired by a Type 4 charter school are the property of the local school board.

Proposed law retains present law and additionally provides that if a charter school contracts with or otherwise engages a legal entity to manage or operate the school, all assets used in the management or operation of the school shall be deemed to be assets acquired by the charter school and shall be subject to the provisions of present law.

Proposed law also prohibits a charter school from leasing property from a legal entity with which it has contracted for the management or operation of the school or from any affiliate or subsidiary of such entity.

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

(Amends R.S. 17:3991(H))