

2016 Regular Session

HOUSE BILL NO. 1004

BY REPRESENTATIVE HAVARD

SCHOOLS/CHARTER: Provides relative to assets or property acquired or used by charter schools under certain circumstances

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 entity under certain circumstances;  
7 and to provide for related 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  
18 property of a local charter authorizer pursuant to this Subsection shall be used solely  
19 for purposes of operating charter schools. Charter schools ~~are to~~ shall maintain

1 records of any assets acquired with ~~any~~ private funds<sub>2</sub> which remain the property of  
2 the nonprofit group operating the charter school.

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

8 (3) A charter school shall not lease property, real, personal, or mixed, from  
9 an organization, corporation, or other legal entity with which it has contracted for the  
10 management or operation of the school or from any affiliate or subsidiary thereof  
11 under terms that would result in the charter school paying aggregate lease payments  
12 in excess of one hundred fifty percent of the value of the property at the inception of  
13 the lease.

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.

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 1004 Original

2016 Regular Session

Havard

**Abstract:** Relative to assets acquired or used by charter schools, provides that assets used to manage or operate a school by an entity engaged for such purpose shall be deemed to be assets acquired by the school and subject to disposition in the manner of other school assets and prohibits the school from leasing property from such an entity or any subsidiary thereof under certain circumstances.

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 public funds become the property of the chartering authority. (The "chartering authority" is a local school board, a local charter authorizer, or the State Bd. 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. 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 subject to 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 under terms that would result in the charter school paying aggregate lease payments in excess of 150% of the value of the property at the inception of the lease.

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

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