

FIRST REGULAR SESSION

SENATE BILL NO. 25

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR EIGEL.

0713S.03I

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal sections 160.400 and 160.425, RSMo, and to enact in lieu thereof fourteen new sections relating to alternative educational options for elementary and secondary students, with penalty provisions.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 160.400 and 160.425, RSMo, are
2 repealed and fourteen new sections enacted in lieu thereof, to
3 be known as sections 135.712, 135.713, 135.714, 135.716,
4 135.719, 160.400, 160.422, 160.425, 166.700, 166.705, 166.710,
5 166.715, 166.720, and 166.725, to read as follows:

**135.712. 1. Sections 135.712 to 135.719 and sections
2 166.700 to 166.725 establish the "Missouri Empowerment
3 Scholarship Accounts Program" to provide options toward
4 ensuring the education of students in this state.**

**5 2. As used in sections 135.712 to 135.719, the
6 following terms mean:**

**7 (1) "District" or "school district", the same meaning
8 as used in section 160.011;**

**9 (2) "Educational assistance organization", a
10 charitable organization registered in this state that is
11 exempt from federal taxation under the Internal Revenue Code
12 of 1986, as amended, is certified by the state treasurer,
13 and that allocates all of its annual revenue for educational
14 assistance, except as provided in paragraph (c) of
15 subdivision (4) of subsection 1 of section 135.714 and as**

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

16 provided for in sections 135.712 to 135.719, derived from
17 contributions for which a credit is claimed under section
18 135.713 and that does not discriminate on the basis of race,
19 color, or national origin;

20 (3) "Parent", a parent, guardian, custodian, or other
21 person with authority to act on behalf of the qualified
22 student;

23 (4) "Program", the Missouri empowerment scholarship
24 accounts program established under sections 135.712 to
25 135.719 and sections 166.700 to 166.725;

26 (5) "Qualified student", the same meaning as used in
27 section 166.700;

28 (6) "Qualifying contribution", a donation of cash,
29 stocks, bonds, or other marketable securities for purposes
30 of claiming a tax credit under sections 135.712 to 135.719;

31 (7) "Scholarship account", a savings account created
32 by the Missouri empowerment scholarship accounts program
33 authorized by sections 166.700 to 166.725;

34 (8) "Taxpayer", an individual subject to the state
35 income tax imposed in chapter 143; an individual, a firm, a
36 partner in a firm, corporation, or a shareholder in an S
37 corporation doing business in this state and subject to the
38 state income tax imposed by chapter 143; or an express
39 company that pays an annual tax on its gross receipts in
40 this state under chapter 153, which files a Missouri income
41 tax return and is not a dependent of any other taxpayer.

135.713. 1. For all fiscal years beginning on or
2 after July 1, 2022, any taxpayer who makes a qualifying
3 contribution to an educational assistance organization may
4 claim a credit against the tax otherwise due under chapter
5 143, other than taxes withheld under sections 143.191 to
6 143.265, and chapter 153, in an amount equal to the amount

7 the taxpayer contributed during the tax year for which the
8 credit is claimed. No taxpayer shall claim a credit under
9 sections 135.712 to 135.719 for any contribution made by the
10 taxpayer, or an agent of the taxpayer, on behalf of the
11 taxpayer's dependent, or in the case of a business taxpayer,
12 on behalf of the business's agent's dependent.

13 2. The amount of the tax credit claimed shall not
14 exceed fifty percent of the taxpayer's state tax liability
15 for the tax year for which the credit is claimed. The state
16 treasurer shall certify the tax credit amount to the
17 taxpayer. A taxpayer may carry the credit forward to any of
18 such taxpayer's four subsequent tax years. All tax credits
19 authorized under the program shall not be transferred, sold,
20 or assigned, and are not refundable.

21 3. The cumulative amount of tax credits that may be
22 allocated to all taxpayers contributing to educational
23 assistance organizations in any one calendar year shall not
24 exceed fifty million. The state treasurer shall establish a
25 procedure by which the tax credits shall be allocated on a
26 first come, first served basis. The state treasurer shall
27 establish the procedure described in this subsection in such
28 a manner as to ensure that taxpayers can claim all the tax
29 credits possible up to the cumulative amount of tax credits
30 available for the calendar year.

135.714. 1. Each educational assistance organization
2 shall:

3 (1) Notify the state treasurer of its intent to
4 provide scholarship accounts to qualified students;

5 (2) Demonstrate to the state treasurer that it is
6 exempt from federal income tax under Section 501(c)(3) of
7 the Internal Revenue Code of 1986, as amended;

8 (3) Provide a state treasurer-approved receipt to
9 taxpayers for contributions made to the organization;

10 (4) Ensure that:

11 (a) One hundred percent of its revenues from interest
12 or investments is spent on scholarship accounts;

13 (b) At least ninety percent of its revenues from
14 qualifying contributions is spent on scholarship accounts;
15 and

16 (c) Marketing and administrative expenses shall not
17 exceed the following limits of its remaining revenue from
18 contributions: ten percent for the first two hundred fifty
19 thousand dollars, eight percent for the next five hundred
20 thousand dollars, and three percent thereafter;

21 (5) Distribute scholarship accounts payments either
22 four times per year or in a single lump sum at the beginning
23 of the year as requested by the parent or guardian of a
24 qualified student, not to exceed a total grant amount equal
25 to the state adequacy target as defined in section 163.011
26 and calculated by the department of elementary and secondary
27 education, in the form of a deposit into the scholarship
28 account of the qualified student;

29 (6) Carry forward no more than twenty-five percent of
30 revenue from contributions from the state fiscal year in
31 which they were received to the following state fiscal year;

32 (7) Provide the state treasurer, upon request, with
33 criminal background checks on all its employees and board
34 members, and exclude from employment or governance any
35 individual that might reasonably pose a risk to the
36 appropriate use of contributed funds;

37 (8) Annually administer either the state achievement
38 tests or nationally norm-referenced tests that measure
39 learning gains in math and English language arts, and

40 provide for value-added assessment, to all participating
41 students in grades that require testing under the statewide
42 assessment system set forth in section 160.518;

43 (9) Allow costs of the testing requirements to be
44 covered by the scholarships distributed by the educational
45 assistance organization;

46 (10) Provide the parents of each student who was
47 tested with a copy of the results of the tests on an annual
48 basis, beginning with the first year of testing;

49 (11) Provide the test results to the state treasurer
50 on an annual basis, beginning with the first year of testing;

51 (12) Report student information that would allow the
52 state treasurer to aggregate data by grade level, gender,
53 family income level, and race;

54 (13) Provide rates of high school graduation, college
55 attendance, and college graduation for participating
56 students to the state treasurer in a manner consistent with
57 nationally recognized standards; and

58 (14) Provide to the state treasurer the results from
59 an annual parental satisfaction survey, including
60 information about the number of years that the parent's
61 child has participated in the scholarship program. The
62 annual satisfaction survey shall ask parents of scholarship
63 students to express:

64 (a) Their satisfaction with their child's academic
65 achievement, including academic achievement at the school
66 their child attended through the scholarship program versus
67 academic achievement at the school previously attended;

68 (b) Their satisfaction with school safety at the
69 schools their child attends through the scholarship program
70 versus safety at the schools previously attended;

71 (c) Whether their child would have been able to attend
72 their school of choice without the scholarship; and

73 (d) Their opinions on other topics, items, or issues
74 that the state treasurer finds would elicit information
75 about the effectiveness of the scholarship program.

76 (15) Demonstrate its financial accountability by:

77 (a) Submitting to the state treasurer annual audit
78 financial statements by a certified public accountant within
79 six months of the end of the educational assistance
80 organization's fiscal year which shall include:

81 a. The name and address of the educational assistance
82 organization;

83 b. The total number and total dollar amount of
84 contributions received during the previous calendar year; and

85 c. The total number and total dollar amount of
86 scholarship accounts opened during the previous calendar
87 year; and

88 (b) Having an auditor certify that the report is free
89 of material misstatements;

90 (16) Demonstrate its financial viability, if it is to
91 receive donations of fifty thousand dollars or more during
92 the school year, by filing with the state treasurer before
93 the start of the school year a surety bond or insurance
94 policy payable to the state in an amount equal to the
95 aggregate amount of contributions expected to be received
96 during the school year or other financial information that
97 demonstrates the financial viability of the educational
98 assistance organization.

99 2. The state treasurer shall:

100 (1) Ensure compliance with all student privacy laws
101 for data in the state treasurer's possession;

102 (2) Collect all test results;

103 (3) Provide the test results and associated learning
104 gains to the public via a state website after the third year
105 of test and test-related data collection. The findings
106 shall be aggregated by the students' grade level, gender,
107 family income level, number of years of participation in the
108 scholarship program, and race; and

109 (4) Provide graduation rates to the public via a state
110 website after the third year of test and test-related data
111 collection.

112 3. An educational assistance organization may contract
113 with a private financial management firm to manage
114 scholarship accounts with the supervision of the state.

135.716. 1. The state treasurer shall provide a
2 standardized format for a receipt to be issued by an
3 educational assistance organization to a taxpayer to
4 indicate the value of a contribution received. The state
5 treasurer shall require a taxpayer to provide a copy of this
6 receipt if claiming the tax credit authorized by the program.

7 2. The state treasurer shall provide a standardized
8 format for educational assistance organizations to report
9 the information required in subsection 1 of this section.

10 3. The state treasurer or state auditor may conduct an
11 investigation if the state treasurer possesses evidence of
12 fraud committed by the organization.

13 4. The state treasurer may bar an educational
14 assistance organization from participating in the program if
15 the state treasurer establishes that the educational
16 assistance organization has intentionally and substantially
17 failed to comply with the requirements in section 135.714.
18 If the state treasurer bars an educational assistance
19 organization from the program under this subsection, it
20 shall notify affected qualified students and their parents

21 of the decision as soon as possible after the determination
22 is made.

23 5. The state treasurer shall issue a report on the
24 state of the Missouri empowerment scholarship accounts
25 program five years after it goes into effect. The report
26 shall include, but is not limited to:

27 (1) Information regarding the finances of the
28 educational assistance organizations; and

29 (2) Educational outcomes of qualified students.

135.719. 1. The state treasurer may promulgate rules
2 to implement the provisions of sections 135.712 to 135.719.
3 Any rule or portion of a rule, as that term is defined in
4 section 536.010, that is created under the authority
5 delegated in this section shall become effective only if it
6 complies with and is subject to all of the provisions of
7 chapter 536 and, if applicable, section 536.028. This
8 section and chapter 536 are nonseverable and if any of the
9 powers vested with the general assembly pursuant to chapter
10 536 to review, to delay the effective date, or to disapprove
11 and annul a rule are subsequently held unconstitutional,
12 then the grant of rulemaking authority and any rule proposed
13 or adopted after August 28, 2021, shall be invalid and void.

14 2. The provisions of section 23.253 of the Missouri
15 sunset act shall not apply to sections 135.712 to 135.719
16 and sections 166.700 to 166.725.

160.400. 1. A charter school is an independent public
2 school.

3 2. [Except as further provided in subsection 4 of this
4 section,] Charter schools may be operated only:

5 (1) In a metropolitan school district;

6 (2) In an urban school district containing most or all
7 of a city with a population greater than three hundred fifty
8 thousand inhabitants;

9 (3) In a school district that has been classified as
10 unaccredited by the state board of education;

11 (4) In a school district that has been classified as
12 provisionally accredited by the state board of education and
13 has received scores on its annual performance report
14 consistent with a classification of provisionally accredited
15 or unaccredited for three consecutive school years beginning
16 with the 2012-13 accreditation year under the following
17 conditions:

18 (a) The eligibility for charter schools of any school
19 district whose provisional accreditation is based in whole
20 or in part on financial stress as defined in sections
21 161.520 to 161.529, or on financial hardship as defined by
22 rule of the state board of education, shall be decided by a
23 vote of the state board of education during the third
24 consecutive school year after the designation of provisional
25 accreditation; and

26 (b) The sponsor is limited to the local school board
27 or a sponsor who has met the standards of accountability and
28 performance as determined by the department based on
29 sections 160.400 to 160.425 and section 167.349 and properly
30 promulgated rules of the department; [or]

31 (5) **In a school district located within a county with**
32 **a charter form of government;**

33 (6) **In any municipality with a population greater than**
34 **thirty thousand; or**

35 (7) In a school district that has been accredited
36 without provisions, sponsored only by the local school
37 board; provided that no board with a current year enrollment

38 of one thousand five hundred fifty students or greater shall
39 permit more than thirty-five percent of its student
40 enrollment to enroll in charter schools sponsored by the
41 local board under the authority of this subdivision, except
42 that this restriction shall not apply to any school district
43 that subsequently becomes eligible under subdivision (3) or
44 (4) of this subsection or to any district accredited without
45 provisions that sponsors charter schools prior to having a
46 current year student enrollment of one thousand five hundred
47 fifty students or greater.

48 3. [Except as further provided in subsection 4 of this
49 section,] The following entities are eligible to sponsor
50 charter schools:

51 (1) The school board of the district in any district
52 which is sponsoring a charter school as of August 27, 2012,
53 as permitted under subdivision (1) or (2) of subsection 2 of
54 this section, the special administrative board of a
55 metropolitan school district during any time in which powers
56 granted to the district's board of education are vested in a
57 special administrative board, or if the state board of
58 education appoints a special administrative board to retain
59 the authority granted to the board of education of an urban
60 school district containing most or all of a city with a
61 population greater than three hundred fifty thousand
62 inhabitants, the special administrative board of such school
63 district;

64 (2) A public four-year college or university with an
65 approved teacher education program that meets regional or
66 national standards of accreditation;

67 (3) A community college, the service area of which
68 encompasses some portion of the district;

69 (4) Any private four-year college or university with
70 an enrollment of at least one thousand students, with its
71 primary campus in Missouri, and with an approved teacher
72 preparation program;

73 (5) Any two-year private vocational or technical
74 school designated as a 501(c)(3) nonprofit organization
75 under the Internal Revenue Code of 1986, as amended, and
76 accredited by the Higher Learning Commission, with its
77 primary campus in Missouri;

78 (6) The Missouri charter public school commission
79 created in section 160.425.

80 4. [Changes in a school district's accreditation
81 status that affect charter schools shall be addressed as
82 follows, except for the districts described in subdivisions
83 (1) and (2) of subsection 2 of this section:

84 (1) As a district transitions from unaccredited to
85 provisionally accredited, the district shall continue to
86 fall under the requirements for an unaccredited district
87 until it achieves three consecutive full school years of
88 provisional accreditation;

89 (2) As a district transitions from provisionally
90 accredited to full accreditation, the district shall
91 continue to fall under the requirements for a provisionally
92 accredited district until it achieves three consecutive full
93 school years of full accreditation;

94 (3) In any school district classified as unaccredited
95 or provisionally accredited where a charter school is
96 operating and is sponsored by an entity other than the local
97 school board, when the school district becomes classified as
98 accredited without provisions, a charter school may continue
99 to be sponsored by the entity sponsoring it prior to the

100 classification of accredited without provisions and shall
101 not be limited to the local school board as a sponsor.

102 A charter school operating in a school district identified
103 in subdivision (1) or (2) of subsection 2 of this section
104 may be sponsored by any of the entities identified in
105 subsection 3 of this section, irrespective of the
106 accreditation classification of the district in which it is
107 located. A charter school in a district described in this
108 subsection whose charter provides for the addition of grade
109 levels in subsequent years may continue to add levels until
110 the planned expansion is complete to the extent of grade
111 levels in comparable schools of the district in which the
112 charter school is operated.

113 5. The mayor of a city not within a county may request
114 a sponsor under subdivision (2), (3), (4), (5), or (6) of
115 subsection 3 of this section to consider sponsoring a
116 "workplace charter school", which is defined for purposes of
117 sections 160.400 to 160.425 as a charter school with the
118 ability to target prospective students whose parent or
119 parents are employed in a business district, as defined in
120 the charter, which is located in the city.

121 6.] No sponsor shall receive from an applicant for a
122 charter school any fee of any type for the consideration of
123 a charter, nor may a sponsor condition its consideration of
124 a charter on the promise of future payment of any kind.

125 [7.] 5. The charter school shall be organized as a
126 Missouri nonprofit corporation incorporated pursuant to
127 chapter 355. The charter provided for herein shall
128 constitute a contract between the sponsor and the charter
129 school.

130 [8.] 6. As a nonprofit corporation incorporated
131 pursuant to chapter 355, the charter school shall select the
132 method for election of officers pursuant to section 355.326
133 based on the class of corporation selected. Meetings of the
134 governing board of the charter school shall be subject to
135 the provisions of sections 610.010 to 610.030.

136 [9.] 7. A sponsor of a charter school, its agents and
137 employees are not liable for any acts or omissions of a
138 charter school that it sponsors, including acts or omissions
139 relating to the charter submitted by the charter school, the
140 operation of the charter school and the performance of the
141 charter school.

142 [10.] 8. A charter school may affiliate with a four-
143 year college or university, including a private college or
144 university, or a community college as otherwise specified in
145 subsection 3 of this section when its charter is granted by
146 a sponsor other than such college, university or community
147 college. Affiliation status recognizes a relationship
148 between the charter school and the college or university for
149 purposes of teacher training and staff development,
150 curriculum and assessment development, use of physical
151 facilities owned by or rented on behalf of the college or
152 university, and other similar purposes. A university,
153 college or community college may not charge or accept a fee
154 for affiliation status.

155 [11.] 9. The expenses associated with sponsorship of
156 charter schools shall be defrayed by the department of
157 elementary and secondary education retaining one and five-
158 tenths percent of the amount of state and local funding
159 allocated to the charter school under section 160.415, not
160 to exceed one hundred twenty-five thousand dollars, adjusted
161 for inflation. The department of elementary and secondary

162 education shall remit the retained funds for each charter
163 school to the school's sponsor, provided the sponsor remains
164 in good standing by fulfilling its sponsorship obligations
165 under sections 160.400 to 160.425 and 167.349 with regard to
166 each charter school it sponsors, including appropriate
167 demonstration of the following:

168 (1) Expends no less than ninety percent of its charter
169 school sponsorship funds in support of its charter school
170 sponsorship program, or as a direct investment in the
171 sponsored schools;

172 (2) Maintains a comprehensive application process that
173 follows fair procedures and rigorous criteria and grants
174 charters only to those developers who demonstrate strong
175 capacity for establishing and operating a quality charter
176 school;

177 (3) Negotiates contracts with charter schools that
178 clearly articulate the rights and responsibilities of each
179 party regarding school autonomy, expected outcomes, measures
180 for evaluating success or failure, performance consequences
181 based on the annual performance report, and other material
182 terms;

183 (4) Conducts contract oversight that evaluates
184 performance, monitors compliance, informs intervention and
185 renewal decisions, and ensures autonomy provided under
186 applicable law; and

187 (5) Designs and implements a transparent and rigorous
188 process that uses comprehensive data to make merit-based
189 renewal decisions.

190 [12.] 10. Sponsors receiving funds under subsection
191 [11] 9 of this section shall be required to submit annual
192 reports to the joint committee on education demonstrating

193 they are in compliance with subsection [17] **15** of this
194 section.

195 [13.] **11.** No university, college or community college
196 shall grant a charter to a nonprofit corporation if an
197 employee of the university, college or community college is
198 a member of the corporation's board of directors.

199 [14.] **12.** No sponsor shall grant a charter under
200 sections 160.400 to 160.425 and 167.349 without ensuring
201 that a criminal background check and family care safety
202 registry check are conducted for all members of the
203 governing board of the charter schools or the incorporators
204 of the charter school if initial directors are not named in
205 the articles of incorporation, nor shall a sponsor renew a
206 charter without ensuring a criminal background check and
207 family care safety registry check are conducted for each
208 member of the governing board of the charter school.

209 [15.] **13.** No member of the governing board of a
210 charter school shall hold any office or employment from the
211 board or the charter school while serving as a member, nor
212 shall the member have any substantial interest, as defined
213 in section 105.450, in any entity employed by or contracting
214 with the board. No board member shall be an employee of a
215 company that provides substantial services to the charter
216 school. All members of the governing board of the charter
217 school shall be considered decision-making public servants
218 as defined in section 105.450 for the purposes of the
219 financial disclosure requirements contained in sections
220 105.483, 105.485, 105.487, and 105.489.

221 [16.] **14.** A sponsor shall develop the policies and
222 procedures for:

223 (1) The review of a charter school proposal including
224 an application that provides sufficient information for

225 rigorous evaluation of the proposed charter and provides
226 clear documentation that the education program and academic
227 program are aligned with the state standards and grade-level
228 expectations, and provides clear documentation of effective
229 governance and management structures, and a sustainable
230 operational plan;

231 (2) The granting of a charter;

232 (3) The performance contract that the sponsor will use
233 to evaluate the performance of charter schools. Charter
234 schools shall meet current state academic performance
235 standards as well as other standards agreed upon by the
236 sponsor and the charter school in the performance contract;

237 (4) The sponsor's intervention, renewal, and
238 revocation policies, including the conditions under which
239 the charter sponsor may intervene in the operation of the
240 charter school, along with actions and consequences that may
241 ensue, and the conditions for renewal of the charter at the
242 end of the term, consistent with subsections 8 and 9 of
243 section 160.405;

244 (5) Additional criteria that the sponsor will use for
245 ongoing oversight of the charter; and

246 (6) Procedures to be implemented if a charter school
247 should close, consistent with the provisions of subdivision
248 (15) of subsection 1 of section 160.405.

249 The department shall provide guidance to sponsors in
250 developing such policies and procedures.

251 [17.] 15. (1) A sponsor shall provide timely
252 submission to the state board of education of all data
253 necessary to demonstrate that the sponsor is in material
254 compliance with all requirements of sections 160.400 to
255 160.425 and section 167.349. The state board of education

256 shall ensure each sponsor is in compliance with all
257 requirements under sections 160.400 to 160.425 and 167.349
258 for each charter school sponsored by any sponsor. The state
259 board shall notify each sponsor of the standards for
260 sponsorship of charter schools, delineating both what is
261 mandated by statute and what best practices dictate. The
262 state board shall evaluate sponsors to determine compliance
263 with these standards every three years. The evaluation
264 shall include a sponsor's policies and procedures in the
265 areas of charter application approval; required charter
266 agreement terms and content; sponsor performance evaluation
267 and compliance monitoring; and charter renewal,
268 intervention, and revocation decisions. Nothing shall
269 preclude the department from undertaking an evaluation at
270 any time for cause.

271 (2) If the department determines that a sponsor is in
272 material noncompliance with its sponsorship duties, the
273 sponsor shall be notified and given reasonable time for
274 remediation. If remediation does not address the compliance
275 issues identified by the department, the commissioner of
276 education shall conduct a public hearing and thereafter
277 provide notice to the charter sponsor of corrective action
278 that will be recommended to the state board of education.
279 Corrective action by the department may include withholding
280 the sponsor's funding and suspending the sponsor's authority
281 to sponsor a school that it currently sponsors or to sponsor
282 any additional school until the sponsor is reauthorized by
283 the state board of education under section 160.403.

284 (3) The charter sponsor may, within thirty days of
285 receipt of the notice of the commissioner's recommendation,
286 provide a written statement and other documentation to show
287 cause as to why that action should not be taken. Final

288 determination of corrective action shall be determined by
289 the state board of education based upon a review of the
290 documentation submitted to the department and the charter
291 sponsor.

292 (4) If the state board removes the authority to
293 sponsor a currently operating charter school under any
294 provision of law, the Missouri charter public school
295 commission shall become the sponsor of the school.

296 [18.] 16. If a sponsor notifies a charter school of
297 closure under subsection 8 of section 160.405, the
298 department of elementary and secondary education shall
299 exercise its financial withholding authority under
300 subsection 12 of section 160.415 to assure all obligations
301 of the charter school shall be met. The state, charter
302 sponsor, or resident district shall not be liable for any
303 outstanding liability or obligations of the charter school.

160.422. 1. Any city not within a county shall not
2 adopt, enforce, impose, or administer an ordinance, local
3 policy, or local resolution that prohibits property sold,
4 leased, or transferred by the city not within a county from
5 being used for any lawful educational purpose by a charter
6 school.

7 2. Any city not within a county shall not impose,
8 enforce, or apply any deed restriction that expressly, or by
9 its operation, prohibits property sold, leased, or
10 transferred by the city not within a county from being used
11 for any lawful educational purpose by a charter school. Any
12 deed restriction or affirmative use deed restriction that
13 affirmatively allows for only one or more specified uses or
14 purposes that do not include any educational use or purpose
15 is prohibited under this section. Any deed restriction or
16 affirmative use deed restriction in effect on the effective

17 date of this section that prohibits or does not permit
18 property previously used for any educational purpose from
19 being used for any future educational purpose is void.

20 3. If any city not within a county offers property of
21 the city not within a county for sale, lease, or rent, the
22 city not within a county shall not refuse to sell, lease, or
23 rent the property to a charter school solely because the
24 charter school intends to use the property for an
25 educational purpose, if the intent of the charter school is
26 to use the property for a lawful educational purpose. If
27 the city not within a county offers property of the city not
28 within a county for sale, lease, or rent, the city not
29 within a county is not required to sell, lease, or rent the
30 property to a charter school solely because the charter
31 school intends to use the property for an educational
32 purpose.

33 4. Any ordinance, policy, regulation, deed, or
34 contract made in violation of this section shall be void
35 from its inception.

160.425. 1. The "Missouri Charter Public School
2 Commission" is hereby created with the authority to sponsor
3 high quality charter schools throughout the state of
4 Missouri.

5 2. The commission shall consist of nine members
6 appointed by the governor, by and with the advice and
7 consent of the senate. No more than five of the members
8 shall be of the same political party. No more than two
9 members shall be from the same congressional district. The
10 term of office of each member shall be four years, except
11 those of the members first appointed, of which three shall
12 be appointed for a term of one year, two for a term of two
13 years, two for a term of three years, and two for a term of

14 four years. At the expiration of the term of each member,
15 the governor, by and with the advice and consent of the
16 senate, shall appoint a successor.

17 3. The appointees to the commission shall be selected
18 as follows:

19 (1) One member selected by the governor from a slate
20 of three recommended by the commissioner of education;

21 (2) One member selected by the governor from a slate
22 of three recommended by the commissioner of higher education;

23 (3) One member selected by the governor from a slate
24 of three recommended by the president pro tempore of the
25 senate;

26 (4) One member selected by the governor from a slate
27 of three recommended by the speaker of the house of
28 representatives; and

29 (5) Five additional members appointed by the governor,
30 one of whom shall be selected from a slate of three nominees
31 recommended by the Missouri School Boards Association.

32 4. Members appointed to the commission shall
33 collectively possess strong experience and expertise in
34 governance, management and finance, school leadership,
35 assessment, curriculum and instruction, and education law.
36 All members of the commission shall have demonstrated
37 understanding of and commitment to charter schooling as a
38 strategy for strengthening public education.

39 5. The commission shall annually elect a chairperson
40 and vice chairperson, who shall act as chairperson in his or
41 her absence. The commission shall meet at the call of the
42 chairperson. The chairperson may call meetings at such
43 times as he or she deems advisable and shall call a meeting
44 when requested to do so by three or more members of the

45 commission. Members of the commission are not eligible to
46 receive compensation.

47 6. The commission may approve proposed charters for
48 its sponsorship under sections 160.400 to 160.425 and shall:

49 (1) Comply with all of the requirements applicable to
50 sponsors under sections 160.400 to 160.425;

51 (2) Exercise sponsorship over charters approved by the
52 commission under sections 160.400 to 160.425, including
53 receipt of sponsorship funding under subsection [11] 9 of
54 section 160.400.

55 7. Charter schools sponsored by the commission shall
56 comply with all of the requirements applicable to charter
57 schools under sections 160.400 to 160.425.

58 8. The commission shall conduct its business in
59 accordance with chapter 610.

60 9. The department of elementary and secondary
61 education shall provide start-up funding for the commission
62 to operate. The commission shall reimburse the department's
63 costs from any funds it receives as sponsor under section
64 160.400.

65 10. The commission is authorized to receive and expend
66 gifts, grants, and donations of any kind from any public or
67 private entity to carry out the purposes of sections 160.400
68 to 160.425, subject to the terms and conditions under which
69 they are given, provided that all such terms and conditions
70 are permissible under law.

**166.700. As used in sections 166.700 to 166.725, the
2 following terms mean:**

3 (1) "Curriculum", a complete course of study for a
4 particular content area or grade level, including any
5 supplemental materials;

6 (2) "Educational assistance organization", the same
7 meaning as used in section 135.712;

8 (3) "Parent", the same meaning as used in section
9 135.712;

10 (4) "Private school", a school that is not a part of
11 the public school system of the state of Missouri and that
12 charges tuition for the rendering of elementary or secondary
13 educational services;

14 (5) "Program", the Missouri empowerment scholarship
15 accounts program;

16 (6) "Qualified school", a charter school as defined in
17 section 160.400, a home school as defined in section
18 167.031, a private school as defined in this subsection, a
19 public school as defined in section 160.011, or a public or
20 private virtual school that is incorporated in Missouri.
21 Charter schools, public schools, and public virtual schools
22 are "qualified schools" only to the extent that moneys
23 deposited in a qualified student's scholarship account shall
24 be used for specific services or individual classes
25 consistent with the provisions of subdivision (4) of
26 subsection 1 of section 166.705;

27 (7) "Qualified student", a resident of this state who:

28 (a) Attended a public school as a full-time student
29 for at least one semester from the previous twelve months;

30 (b) Previously participated in the Missouri
31 empowerment scholarship accounts program;

32 (c) Is a child who is eligible to begin kindergarten
33 under sections 160.051 to 160.055;

34 (d) Is attending school for the first time; or

35 (e) A child of a parent in active military service.

166.705. 1. A parent of a qualified student may
2 establish a Missouri empowerment scholarship account for the

3 student by entering into a written agreement with an
4 educational assistance organization. The agreement shall
5 provide that:

6 (1) The qualified student shall enroll in a qualified
7 school and receive an education in at least the subjects of
8 English language arts, mathematics, social studies, and
9 science;

10 (2) The qualified student shall not be enrolled in a
11 school operated by the qualified student's district of
12 residence or a charter school, except for a qualified
13 student that is in the custody of the state, and shall
14 release the district of residence from all obligations to
15 educate the qualified student while the qualified student is
16 enrolled in the program; except that, this subdivision shall
17 not relieve the student's district of residence from the
18 obligation to conduct an evaluation for disabilities;

19 (3) The qualified student shall receive a grant, in
20 the form of money deposited pursuant to section 135.714, in
21 the qualified student's Missouri empowerment scholarship
22 account;

23 (4) The money deposited in the qualified student's
24 Missouri empowerment scholarship account shall be used only
25 for the following expenses of the qualified student:

26 (a) Tuition or fees at a qualified school;

27 (b) Textbooks required by a qualified school;

28 (c) Educational therapies or services for the
29 qualified student from a licensed or accredited practitioner
30 or provider, including licensed or accredited
31 paraprofessionals or educational aides;

32 (d) Tutoring services;

33 (e) Curriculum;

34 (f) Tuition or fees for a private virtual school;

35 (g) Fees for a nationally standardized norm-referenced
36 achievement test, advanced placement examinations,
37 international baccalaureate examinations, or any exams
38 related to college or university admission;

39 (h) Fees for management of the empowerment scholarship
40 account by firms selected by the educational assistance
41 organization;

42 (i) Services provided by a public school, including
43 individual classes and extracurricular programs;

44 (j) Computer hardware or other technological devices
45 that are used to help meet a qualified student's educational
46 needs and that are approved by an educational assistance
47 organization;

48 (k) Fees for summer education programs and specialized
49 after-school education programs; and

50 (l) Other expenses related to home school instruction;

51 (5) Moneys deposited in the qualified student's
52 account shall not be used for the following:

53 (a) Consumable educational supplies including, but not
54 limited to, paper, pens, pencils, or markers; and

55 (b) Tuition at a private school located outside of the
56 state of Missouri.

57 2. Missouri empowerment scholarship accounts are
58 renewable on an annual basis upon request of the parent of a
59 qualified student. Notwithstanding any changes to the
60 qualified student's multidisciplinary evaluation team plan,
61 a student who has previously qualified for a Missouri
62 empowerment scholarship account shall remain eligible to
63 apply for renewal until the student completes high school
64 and submits scores from a nationally standardized norm-
65 referenced achievement test, advanced placement examination,
66 international baccalaureate examination, or any exam related

67 to college or university admission purchased with Missouri
68 empowerment scholarship account funds to the state treasurer.

69 3. A signed agreement under this section shall satisfy
70 the compulsory school attendance requirements of section
71 167.031.

72 4. A qualified school or a provider of services
73 purchased under this section shall not share, refund, or
74 rebate any Missouri empowerment scholarship account moneys
75 with the parent or qualified student in any manner.

76 5. If a qualified student withdraws from the program
77 by enrolling in a school other than a qualified school, or
78 is disqualified from the program under the provisions of
79 section 166.710, the qualified student's Missouri
80 empowerment scholarship account shall be closed and any
81 remaining funds shall be returned to the educational
82 assistance organization for redistribution to other
83 qualified students. Under such circumstances, the
84 obligation to provide an education for such student shall
85 transfer back to the student's district of residence.

86 6. Any funds remaining in a qualified student's
87 scholarship account at the end of a school year shall remain
88 in the account and shall not be returned to the educational
89 assistance organization. Any funds remaining in a qualified
90 student's scholarship account upon graduation from a
91 qualified school shall be returned to the educational
92 assistance organization for redistribution to other
93 qualified students.

94 7. Moneys received under sections 166.700 to 166.725
95 shall not constitute Missouri taxable income to the parent
96 of the qualified student.

166.710. 1. Beginning in the 2023-2024 school year,
2 the educational assistance organization shall conduct or

3 contract for annual audits of empowerment scholarship
4 accounts to ensure compliance with the requirements of
5 subsection 1 of section 166.705. The educational assistance
6 organization shall also conduct or contract for random,
7 quarterly, and annual audits of empowerment scholarship
8 accounts as needed to ensure compliance with the
9 requirements of subsection 1 of section 166.705.

10 2. A parent or qualified student or vendor may be
11 disqualified from program participation if the state
12 treasurer, or his or her designee, finds the party has
13 committed an intentional program violation consisting of any
14 misrepresentation or other act that materially violates any
15 law or rule governing the program. The state treasurer may
16 remove any parent or qualified student from eligibility for
17 a Missouri empowerment scholarship program account. A
18 parent may appeal the state treasurer's decision to the
19 administrative hearing commission. A parent may appeal the
20 administrative hearing commission's decision to the circuit
21 court of the county in which the student resides.

22 3. The state treasurer may refer cases of substantial
23 misuse of moneys to the attorney general for investigation
24 if the state treasurer obtains evidence of fraudulent use of
25 an account.

26 4. The state treasurer shall promulgate the following
27 rules to implement and administer the Missouri empowerment
28 scholarship accounts program:

29 (1) Rules for conducting examinations of use of
30 account funds;

31 (2) Rules for conducting random, quarterly, and annual
32 reviews of accounts;

33 (3) Creating an online anonymous fraud reporting
34 service; and

35 (4) Creating an anonymous telephone hotline for fraud
36 reporting.

37 5. Any rule or portion of a rule, as that term is
38 defined in section 536.010, that is created under the
39 authority delegated in this section shall become effective
40 only if it complies with and is subject to all of the
41 provisions of chapter 536 and, if applicable, section
42 536.028. This section and chapter 536 are nonseverable and
43 if any of the powers vested with the general assembly
44 pursuant to chapter 536 to review, to delay the effective
45 date, or to disapprove and annul a rule are subsequently
46 held unconstitutional, then the grant of rulemaking
47 authority and any rule proposed or adopted after August 28,
48 2021, shall be invalid and void.

 166.715. 1. A person commits a class A misdemeanor if
2 they are found to have knowingly used moneys granted under
3 section 135.714 for purposes other than those provided for
4 in sections 166.700 to 166.725.

 2. No financial institution shall be liable in any
6 civil action for providing a savings account's financial
7 information to the state treasurer unless the information
8 provided is false and the financial institution providing
9 the false information does so knowingly and with malice.

 166.720. 1. Sections 166.700 to 166.725 do not permit
2 any governmental agency to exercise control or supervision
3 over any qualified school in which a qualified student
4 enrolls other than a qualified school that is a public
5 school.

 2. A qualified school, other than a qualified school
7 that is a public school, that accepts a payment from a
8 parent under sections 166.700 to 166.725 shall not be
9 considered an agent of the state or federal government.

10 3. A qualified school shall not be required to alter
11 its creed, practices, admissions policy, or curriculum in
12 order to accept students whose parents pay tuition or fees
13 from an empowerment scholarship account to participate as a
14 qualified school.

15 4. In any legal proceeding challenging the application
16 of sections 166.700 to 166.725 to a qualified school, the
17 state shall bear the burden of establishing that the law is
18 necessary and does not impose any undue burden on qualified
19 schools.

 166.725. All personally identifiable information
2 concerning eligible students and the parents of eligible
3 students within the Missouri empowerment scholarship
4 accounts program pursuant to sections 135.712 to 135.719 and
5 sections 166.700 to 166.725 shall be confidential, and any
6 disclosure of such information shall be restricted to
7 purposes directly connected with administration of the
8 program.

✓