

HOUSE BILL 947

By Brooks H

AN ACT to amend Tennessee Code Annotated, Title 49,  
Chapter 13, relative to charter schools.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-13-108(a)(5), is amended by deleting the subdivision in its entirety and substituting instead:

A charter school sponsor shall pay to the chartering authority an application fee of five thousand dollars (\$5,000) with each charter school application the sponsor files.

A charter school filing a renewal application under § 49-13-121 shall pay to the chartering authority a fee of one thousand dollars (\$1,000) when the charter school files its renewal application.

SECTION 2. Tennessee Code Annotated, Title 49, Chapter 13, is amended by adding the following language as a new section:

(a) A chartering authority shall be entitled to receive an annual authorizer fee from a charter school that it authorizes in order to:

- (1) Defray the costs of authorizing the school; and
- (2) Support the continuing operations of the chartering authority to oversee and monitor the performance of its authorized charter schools.

(b)

(1) If the chartering authority is an LEA under § 49-13-108 and the LEA approves the charter school's application for the charter school to open in the 2016–2017 school year or a school year thereafter, the LEA shall receive as the annual authorizing fee of the lesser of:

(A) Two and two tenths percent (2.2%) of the charter school's per student state and local funding as allocated under § 49-13-112(a); or

(B) Thirty-seven thousand five hundred dollars (\$37,500).

(2) If the chartering authority is an LEA under § 49-13-108 and the LEA approved the charter school's application to open in the 2015–2016 school year or a school year before the 2015–2016 school year, the LEA shall receive as the annual authorizing fee of the lesser of:

(A) One and one tenth percent (1.1%) of the charter school's per student state and local funding as allocated under § 49-13-112(a); or

(B) Thirty-seven thousand five hundred dollars (\$37,500).

(3) If a charter school that was approved and opened in the 2015–2016 school year or before applies for renewal under § 49-13-121, then for the first year in which the charter school operates under the renewal application and for school years thereafter, the charter school's authorizer fee shall be determined under subdivision (b)(1).

(4) Notwithstanding subdivisions (b)(1) and (b)(2), an LEA that was not a chartering authority before July 1, 2015, but authorizes a charter school on or after July 1, 2015, shall receive as an authorizing fee of up to four percent (4%) of an authorized charter school's per student state and local funding as allocated under § 49-13-112(a). This subdivision (b)(4) shall apply to the LEA until four (4) years after the date its first authorized charter school begins operation. After four (4) years, the LEA's authorizer fee shall be determined under subdivision (b)(1).

(c) If the state board of education is the chartering authority upon appeal from denial of approval or renewal of a charter school application by an LEA that contains at least one (1) priority school on the current or last preceding priority school list, or if an LEA is the sponsor of a charter school under § 49-13-141, the state board shall receive

an annual authorizer fee of up to four percent (4%) of the charter school's per student state and local funding as allocated under § 49-13-112(a).

(d) If the achievement school district (ASD) authorizes a charter school under § 49-1-614, the ASD shall receive an annual authorizer fee of up to three percent (3%) of the charter school's per student state and local funding as allocated under § 49-13-112(a).

(e) By December 1 each year, each chartering authority shall provide to each public charter school it authorizes an itemized accounting of the costs of fulfilling authorizing obligations during the prior fiscal year in accordance with this chapter.

(f) The comptroller of the treasury shall, every two (2) years, beginning in 2017, review the effectiveness of authorizer fees and shall provide information to the education committee of the senate and the education administration and planning committee of the house of representatives by December 31, 2017, and December 31 every two (2) years thereafter, concerning any amendment to this section that the comptroller determines shall maximize public benefit and strengthen the implementation of this chapter.

(g) The chartering authority shall use the authorizer fee exclusively for fulfilling authorizing obligations in accordance with this chapter.

SECTION 3. Tennessee Code Annotated, Section 49-13-112(a), is amended by designating the existing language as subdivision (1) and adding the following language as new subdivision (2):

(2) The department of education shall verify annually that the level of funding provided to a charter school by an LEA is in accordance with subdivision (a)(1).

SECTION 4. Tennessee Code Annotated, Section 49-13-136(c), is amended by adding the following language as a new subdivision:

An LEA is not required to include on the annual list under subdivision (c)(1) any vacant or underutilized property that the LEA intends to sell or otherwise dispose of within twelve (12) months of October 1 of the year in which the list is submitted to the department.

SECTION 5. Tennessee Code Annotated, Section 49-13-136, is amended by adding the following language as a new subsection:

If an LEA or another local government entity provides a publicly owned property to a charter school without transferring the title of the property to the charter school, then the LEA or local government entity shall not charge rent to the charter school; provided, that the property is used for the charter school's school purposes. The charter school shall be responsible for utilities and the day-to-day maintenance of the property. The LEA or local government entity shall be responsible for insurance and capital maintenance of the property, including interior or exterior painting and repair or replacement of roofs; heating, ventilating, and air conditioning systems; and a plumbing systems.

SECTION 6. Subsections (a), (b), and (e) of Section 2 of this act shall be repealed effective July 1, 2019.

SECTION 7. This act shall take effect July 1, 2015, the public welfare requiring it.