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

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## 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))