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## DIGEST

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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))