



State of Tennessee

PUBLIC CHAPTER NO. 465

HOUSE BILL NO. 1980

By Representatives Montgomery, Hardaway, Don Miller, White

Substituted for: Senate Bill No. 1709

By Senators Woodson, Gresham, Johnson

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

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

SECTION 1. Tennessee Code Annotated, Section 49-13-104, is amended by adding the following as a new, appropriately designated subdivision:

() "Underutilized or vacant property" means an entire property or portion thereof, with or without improvements, which is not used or is used irregularly or intermittently by the LEA for instructional or program purposes. "Underutilized or vacant property" shall not include real property on which no building or permanent structure has been erected.

SECTION 2. Tennessee Code Annotated, Title 49, Chapter 13, is amended by adding the following as new, appropriately designated sections:

49-13-____. An LEA shall establish a transparent and uniform method of calculating all terms and costs related to any lease, lease-purchase agreement, or other contract or agreement executed between the LEA and a charter school for the use of the LEA's educational facilities. The LEA shall retain and make available for audit, by the department of education, all records and any supporting documentation related to the execution of such a lease or agreement.

49-13-____.

(a) Charter schools may use capital outlay funds for the following purposes:

(1) Purchase, lease-purchase, or lease of real property;

(2) Purchase, lease-purchase, or lease of school facilities;

(3) Construction or renovation of school facilities, including renovation, rehabilitation, or alteration of existing facilities to comply with applicable codes and health and safety standards necessary to use the property or facility, or to make the property or facility useful;

(4) Purchase, lease-purchase, or lease of any tangible or intangible property, including furniture, computers for a computer lab, science lab equipment, or other equipment if such purchase is necessary to use the property or facility, or to make the property or facility useful; and

(5) Pay debt service on any transaction authorized under this subsection (a).

(b) A public charter school may contract with the LEA or any third party for the provision of goods and services necessary to use the property or facility or to make the property or facility useful.

(c)

(1) No later than October 1, in any LEA in which one (1) or more charter schools operates, the LEA shall catalog each year all underutilized and vacant properties owned or operated by the LEA and all underutilized and vacant properties within any educational facility owned or operated by the LEA. The LEA shall submit a comprehensive listing of all such properties to the department of education and the comptroller. The department shall make an LEA's list available to any charter school operating in the LEA or to any sponsor seeking to establish a public charter school in the LEA.

(2) An LEA having underutilized and vacant properties shall make the underutilized and vacant properties available for use by charter schools operating in the LEA. Any lease agreement executed between a charter school and an LEA shall not reflect any outstanding bonded debt on the underutilized or vacant property, except as agreed upon to reflect any necessary costs associated with the occupation or remodeling of the facility.

(d) On or before October 11, 2011, the department shall adopt uniform guidelines to be used to determine what constitutes the irregular or intermittent use of property by an LEA. In any LEA in which one (1) or more charter schools operates, the LEA shall use such guidelines to catalog all underutilized and vacant properties owned or operated by the LEA.

(e) Nothing in this section is intended to frustrate an LEA's ability to plan for the use of underutilized or vacant properties owned or operated by the LEA. In any LEA in which one (1) or more charter schools operates, the LEA shall submit each year its plans for the use of underutilized or vacant properties owned or operated by the LEA in its annual report to the department of education and the comptroller.

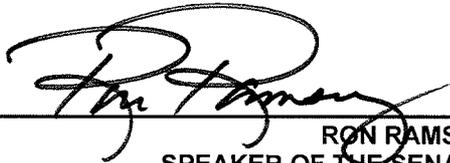
SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.

HOUSE BILL NO. 1980

PASSED: May 21, 2011



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES



RON RAMSEY
SPEAKER OF THE SENATE

APPROVED this 10th day of June 2011



BILL HASLAM, GOVERNOR