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March 1, 2017

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 359

By: Stanislawski

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[ charter schools - request to certain school
district board of education to participate in certain
bond election - codification - effective date -
emergency ]
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BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-136.1 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. The governing board of a charter school approved pursuant to Section 3-132 of Title 70 of the Oklahoma Statutes may submit a written request to the board of education of the school district in which the charter school is located to participate in a local bond election authorized by Section 26 of Article X of the Oklahoma Constitution. The written request shall be considered received as of the next regularly scheduled meeting of the school district board of education. The request shall include:

1 1. A description of the capital construction to be financed by
2 the bonded indebtedness and an estimated timeline for completion;
3 and

4 2. An estimate of the total cost of completing the capital
5 construction to be financed by bond indebtedness and an explanation
6 why revenue sources other than bond indebtedness are inadequate to
7 fully finance the project.

8 B. The school district board of education shall consider the
9 request and shall issue a written response within thirty (30) days
10 of receipt to approve the request or deny the request.

11 C. If the school district board of education approves a charter
12 school's request to participate in a local bond election, prior to
13 submitting the ballot question to the voters of the school district,
14 the school district board of education and the governing board of
15 the charter school shall enter into a written agreement. The
16 agreement shall include at a minimum:

17 1. The question to be posed to electors;

18 2. A statement that the cost of submitting the ballot question
19 shall be borne by both the district and the charter school in
20 proportion to their respective portions of the total bond proceeds
21 to be received unless the parties agree to a different cost-sharing
22 agreement;

23 3. A statement that investment and interest earnings on bond
24 proceeds shall be distributed on a pro rata basis to the

1 participating charter school after the management fees have been
2 collected unless the parties agree to a different cost-sharing
3 agreement;

4 4. An agreement as to the amount, timing and process by which
5 the bond proceeds and investment and interest earnings on the
6 proceeds shall be distributed to the charter school;

7 5. A statement that construction standards for the charter
8 school's capital construction project shall meet applicable state
9 building code requirements;

10 6. A statement that construction and renovation, payment of
11 overrun costs and other capital construction project issues will be
12 managed by the charter school and the school district will be held
13 harmless; and

14 7. A plan for disposition of the property if the charter
15 school's sponsor revokes or does not renew the charter contract.
16 The plan may include conveyance of the property to the school
17 district following payments to senior secured creditors, if any.

18 D. If the school district board of education denies the charter
19 school's request, the board of education shall provide the charter
20 school with a written statement specifying the reasons for denying
21 the request. The charter school shall have an opportunity to
22 address any issues raised by the board of education and resubmit a
23 request. A revised request shall be considered part of the original
24 request for the purposes of subsection A of this section.

1 E. When a school district board of education submits to the
2 qualified electors the question of whether the board of education
3 shall be empowered to issue negotiable bonds of the school district
4 pursuant to Section 26 of Article X of the Oklahoma Constitution, it
5 may include the charter school's capital construction needs as part
6 of a ballot question for approval of bonded indebtedness to be
7 submitted by the district to the voters of the district consistent
8 with the terms of the agreement entered into pursuant to subsection
9 C of this section. Nothing in this section shall alter the
10 prohibition against a charter school's ability to independently levy
11 taxes or issue bonds as set forth in Section 3-136 of Title 70 of
12 the Oklahoma Statutes.

13 F. If a school district board of education decides to sell or
14 lease a public school property, a charter school located within the
15 school district shall have the right of first refusal to purchase or
16 lease the property at or below fair market value.

17 ~~SECTION 2. This act shall become effective July 1, 2017.~~

18 ~~SECTION 3. It being immediately necessary for the preservation~~
19 ~~of the public peace, health or safety, an emergency is hereby~~
20 ~~declared to exist, by reason whereof this act shall take effect and~~
21 ~~be in full force from and after its passage and approval.~~

22 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
23 March 1, 2017 - DO PASS AS AMENDED
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