

By: Dutton

H.B. No. 1146

A BILL TO BE ENTITLED

AN ACT

relating to a limitation on audits of an open-enrollment charter school.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 12.1163, Education Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) To the extent consistent with this section [~~Subsection (b)~~], the commissioner may audit the records of:

- (1) an open-enrollment charter school;
- (2) a charter holder; and
- (3) a management company.

(c) Unless the commissioner has specific cause to conduct an additional audit, the commissioner may not conduct more than one on-site financial records audit and one on-site administrative records audit of an open-enrollment charter school during any fiscal year. For purposes of this subsection, an audit of a charter holder or management company associated with an open-enrollment charter school is not considered an audit of the school.

SECTION 2. This Act takes effect September 1, 2003.