

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 audit under Section 12.1163 during any fiscal year, including any financial and administrative records. 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.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 1146 was passed by the House on April 24, 2003, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 1146 on May 30, 2003, by a non-record vote.

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Chief Clerk of the House

I certify that H.B. No. 1146 was passed by the Senate, with amendments, on May 28, 2003, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor