

1-1 By: Truitt (Senate Sponsor - Nelson) H.B. No. 1564  
1-2 (In the Senate - Received from the House April 14, 2003;  
1-3 April 15, 2003, read first time and referred to Committee on  
1-4 Education; May 2, 2003, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 8, Nays 0;  
1-6 May 2, 2003, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 1564 By: Ogden

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the use of municipal funds for the acquisition of land  
1-11 or acquisition, construction, expansion, or renovation of  
1-12 facilities for an open-enrollment charter school.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Section 12.101(a), Education Code, is amended to  
1-15 read as follows:

1-16 (a) In accordance with this subchapter, the State Board of  
1-17 Education may grant a charter on the application of an eligible  
1-18 entity for an open-enrollment charter school to operate in a  
1-19 facility of a commercial or nonprofit entity, an eligible entity,  
1-20 or a school district, including a home-rule school district. In  
1-21 this subsection, "eligible entity" means:

1-22 (1) an institution of higher education as defined  
1-23 under Section 61.003;

1-24 (2) a private or independent institution of higher  
1-25 education as defined under Section 61.003;

1-26 (3) an organization that is exempt from taxation under  
1-27 Section 501(c)(3), Internal Revenue Code of 1986 (26 U.S.C. Section  
1-28 501(c)(3)); or

1-29 (4) a governmental entity.

1-30 SECTION 2. Subchapter D, Chapter 12, Education Code, is  
1-31 amended by adding Section 12.131 to read as follows:

1-32 Sec. 12.131. USE OF MUNICIPAL FUNDS FOR CHARTER SCHOOL LAND  
1-33 OR FACILITIES. A municipality to which a charter is granted under  
1-34 this subchapter may borrow funds, issue obligations, or otherwise  
1-35 spend its funds to acquire land or acquire, construct, expand, or  
1-36 renovate school buildings or facilities and related improvements  
1-37 for its open-enrollment charter school within the city limits of  
1-38 the municipality in the same manner the municipality is authorized  
1-39 to borrow funds, issue obligations, or otherwise spend its funds in  
1-40 connection with any other public works project.

1-41 SECTION 3. This Act takes effect immediately if it receives  
1-42 a vote of two-thirds of all the members elected to each house, as  
1-43 provided by Section 39, Article III, Texas Constitution. If this  
1-44 Act does not receive the vote necessary for immediate effect, this  
1-45 Act takes effect September 1, 2003.

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