

By: Aycock

H.B. No. 3347

Substitute the following for H.B. No. 3347:

By: Aycock

C.S.H.B. No. 3347

A BILL TO BE ENTITLED

AN ACT

1
2 relating to revocation of a charter for an open-enrollment charter
3 school and procedures for the disposition of property owned by a
4 charter school after revocation or surrender of a charter.

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

6 SECTION 1. Section 12.116, Education Code, is amended by
7 amending Subsections (a), (c), and (d) and adding Subsections (e)
8 and (f) to read as follows:

9 (a) The commissioner shall adopt an informal review
10 procedure to be used for revoking the charter of an open-enrollment
11 charter school or for reconstituting the governing body of the
12 charter holder as authorized by Section 12.115.

13 (c) A decision by the commissioner to revoke a charter is
14 subject to review by the State Office of Administrative
15 Hearings. Notwithstanding Chapter 2001, Government Code:

16 (1) the State Office of Administrative Hearings shall
17 conduct a revocation review hearing and issue a final decision not
18 later than the 90th day after the date that the notice of hearing is
19 filed with the State Office of Administrative Hearings;

20 (2) the administrative law judge shall uphold a
21 decision by the commissioner to revoke a charter unless the judge
22 finds the decision is arbitrary and capricious or clearly
23 erroneous; and

24 (3) [~~2~~] a decision of the administrative law judge

1 under this subsection is final and may not be appealed.

2 (d) If the commissioner issues a decision to revoke
3 ~~[revokes]~~ the charter of an open-enrollment charter school, the
4 commissioner may:

5 (1) manage the school until alternative arrangements
6 are made for the school's students; ~~[and]~~

7 (2) assign operation of one or more campuses formerly
8 operated by the charter holder who held the revoked charter to a
9 different charter holder who consents to the assignment;

10 (3) appoint a board of managers under Section 12.1165
11 or an agent of the commissioner to close the operations of the
12 school and manage the disposition of the state's personal and real
13 property in the possession of the charter holder; or

14 (4) take any combination of the actions described by
15 Subdivisions (1), (2), and (3).

16 (e) If the commissioner decides to manage the school under
17 Subsection (d)(1), the commissioner may:

18 (1) allow the existing governing body of the school to
19 manage the school, under the commissioner's direction, until the
20 conclusion of the academic school year;

21 (2) appoint a board of managers under Section 12.1165;
22 or

23 (3) appoint an individual to serve as the agent of the
24 commissioner.

25 (f) The commissioner shall transfer to the revoked charter
26 school liquidation account established under Section 12.269 any
27 funds received by the charter holder under Section 12.106 that

1 remain after the operations of the school are closed under this
2 section.

3 SECTION 2. Subchapter D, Chapter 12, Education Code, is
4 amended by adding Sections 12.1165 and 12.1166 to read as follows:

5 Sec. 12.1165. APPOINTMENT OF BOARD OF MANAGERS. (a) If the
6 commissioner issues a decision to revoke the charter of an
7 open-enrollment charter school, the commissioner may appoint a
8 board of managers and a charter superintendent to:

9 (1) manage the school under Section 12.116(d)(1); or

10 (2) close the operations of the school under Section
11 12.116(d)(3).

12 (b) The commissioner may designate an individual member of
13 the board of managers to submit to the agency any required data,
14 reports, or other information necessary to close the operations of
15 the school.

16 (c) The board of managers may exercise all of the powers and
17 duties assigned to a governing body of a charter holder by any
18 statute or rule.

19 (d) Except as provided by Section 12.1285(e), if the
20 governing body of a charter holder is managing a school under
21 Section 12.116(e)(1), the governing body's powers are terminated on
22 the effective date of the commissioner's appointment of the board
23 of managers.

24 (e) Notwithstanding any other provision of this code, the
25 board of managers may amend the school's budget. The board of
26 managers may use cash on hand received by the former charter holder
27 under Section 12.106 or any allocation of state funding due to the

1 revoked charter holder under Section 12.106 to close the operations
2 of the school. Actions taken under this subsection are subject to
3 the approval of the commissioner.

4 (f) A person who serves on the board of managers or as a
5 charter superintendent under this section acts on behalf of the
6 commissioner and is entitled to:

7 (1) sovereign immunity; and

8 (2) representation by the attorney general for any act
9 or omission taken while acting in the person's official capacity.

10 (g) The board of managers shall continue to operate until
11 dissolved by the commissioner. Members of the board of managers and
12 a charter superintendent serve at the discretion of the
13 commissioner and may be replaced by the commissioner at any time.

14 Sec. 12.1166. COMPENSATION OF BOARD OF MANAGERS AND CHARTER
15 SUPERINTENDENT. (a) The commissioner may authorize compensation
16 for a member of a board of managers or a charter superintendent
17 appointed under Section 12.1165.

18 (b) The commissioner shall establish the terms of
19 compensation provided under Subsection (a).

20 (c) The commissioner shall use funds received by or due to
21 the former charter holder under Section 12.106 for compensation of
22 a charter superintendent or a member of a board of managers.

23 (d) If funds described by Subsection (c) are not available
24 or the commissioner determines that the circumstances require, the
25 commissioner may use:

26 (1) funds from the revoked charter school liquidation
27 account established under Section 12.269; or

1 (2) available agency funds, provided that the use of
2 the available funds for that purpose is not prohibited by other law.

3 (e) If the commissioner determines that the amount
4 appropriated for purposes of the Foundation School Program exceeds
5 the amount to which school districts are entitled under Chapters 42
6 and 46, the commissioner may authorize the comptroller to transfer
7 funds from the Foundation School Program to the agency's
8 administrative account for compensation as provided by this
9 section.

10 SECTION 3. Subchapter D, Chapter 12, Education Code, is
11 amended by adding Sections 12.1285 and 12.12851 to read as follows:

12 Sec. 12.1285. TRANSFER OF PUBLIC PROPERTY ON REVOCATION OR
13 SURRENDER OF CHARTER. (a) Not later than the 90th day after the
14 effective date of the revocation or surrender of a charter, the
15 former charter holder shall remit all public funds to the state and:

16 (1) remit all public personal property to the state,
17 retitle all public real property in the name of the state, and
18 transfer the title for all public real property to the agency;

19 (2) retitle or remit all public real or personal
20 property to another charter holder for use in student instruction;

21 (3) retitle or remit all public real or personal
22 property to a school district for use in student instruction; or

23 (4) provide documentation to the commissioner that:

24 (A) demonstrates that public real or personal
25 property was returned to the holder of a valid lien or security
26 interest that was perfected before the revocation of the charter to
27 satisfy a creditor under Section 12.128(e); and

1 (B) includes a written agreement by the creditor
2 to remit to the state all excess proceeds from the sale of the
3 public property after satisfaction of the secured debt.

4 (b) A charter holder that receives a transfer of public real
5 property under Subsection (a)(2) must:

6 (1) assume all secured debts and liens on the
7 property;

8 (2) file an affidavit with the agency stating that the
9 property is public property of the state;

10 (3) use the property as an instructional facility for
11 students and obtain approval to operate in that facility in
12 accordance with this subchapter; and

13 (4) return the property to the state if:

14 (A) the school's charter is revoked;

15 (B) the charter holder fails to receive approval
16 to operate at the facility in accordance with this subchapter; or

17 (C) the charter holder fails to use the facility
18 as authorized under this section.

19 (c) The commissioner shall dispose of any public real
20 property returned to the state under Subsection (b)(4).

21 (d) A school district that receives a transfer of public
22 real property under Subsection (a)(3) assumes all secured debts and
23 liens on the property.

24 (e) Notwithstanding the appointment of a board of managers
25 and the termination of the governing body's powers under Section
26 12.1165(d), the governing body of a charter holder whose charter is
27 revoked or surrendered may determine which entity to transfer

1 public property to under Subsection (a). If a board of managers is
2 managing the school under Section 12.1165, the governing body shall
3 work with the board of managers to ensure that any property being
4 used for student instruction is not transferred or disposed of
5 until after the last day of student instruction at the school that
6 occurs before the effective date of the revocation or surrender of
7 the charter.

8 Sec. 12.12851. DISPOSITION OF PROPERTY ON REVOCATION OR
9 SURRENDER OF CHARTER. (a) In supervising the disposition of
10 property under Section 12.128(c)(2), the commissioner may:

11 (1) file a suit for receivership under Subchapter G;
12 or

13 (2) seek a court of competent jurisdiction to declare
14 the property to be state property and order the property to be
15 titled in the name of the state.

16 (b) If a former charter holder returns property to the state
17 under Section 12.1285(a)(1) or the commissioner obtains a court
18 declaration described by Subsection (a)(2):

19 (1) the General Land Office shall:

20 (A) sell any real property through any method
21 available to the General Land Office; and

22 (B) transfer any proceeds of the sale of the real
23 property to the revoked charter school liquidation account
24 established under Section 12.269; and

25 (2) the Texas Facilities Commission shall transfer any
26 proceeds from the sale of property disposed of under Chapter 2175,
27 Government Code, into the revoked charter school liquidation

1 account established under Section 12.269.

2 (c) The proceeds of the sale of property under Subsection
3 (b) are not subject to the requirements of the General
4 Appropriations Act or statutory requirements or rules related to
5 the general revenue fund.

6 SECTION 4. Chapter 12, Education Code, is amended by adding
7 Subchapter G to read as follows:

8 SUBCHAPTER G. CHARTER SCHOOL RECEIVERSHIP AND LIQUIDATION

9 Sec. 12.251. PURPOSE. The purpose of this subchapter is to
10 aid the commissioner in carrying out the commissioner's duty under
11 Section 12.128 to supervise the disposition of public property
12 assets that are in the possession of a charter school that ceases to
13 operate. This subchapter shall be liberally construed to permit
14 the commissioner, acting as a receiver, to promptly dispose of
15 public property to preserve state assets.

16 Sec. 12.252. DEFINITIONS. In this subchapter:

17 (1) "Former charter school" means an open-enrollment
18 charter school that no longer operates as a charter school under
19 this chapter and Chapter 39 because the school's charter has been
20 revoked or surrendered.

21 (2) "Liquidation order" means a final order entered by
22 the receivership court approving the receiver's disposition of all
23 public property and closing the receivership.

24 (3) "Proposed disposition plan" means a plan presented
25 by the receiver to the court that accounts for the disposition of
26 all assets in the possession of a former charter school.

27 (4) "Receiver" means the commissioner, acting in an

1 official capacity to take possession, assume control, and dispose
2 of public property of a former charter school. The term includes a
3 special deputy receiver.

4 (5) "Receivership order" means a court order by which
5 the court assumes jurisdiction, opens a receivership proceeding,
6 and appoints the commissioner as the receiver for the assets of a
7 former charter school.

8 (6) "Special deputy receiver" means a person appointed
9 by or acting under a contract with the commissioner as a receiver on
10 the commissioner's behalf.

11 Sec. 12.253. RECEIVERSHIP; JURISDICTION AND VENUE. (a) If
12 the commissioner revokes or accepts the surrender of the charter of
13 a charter school, the commissioner may determine that a
14 receivership is warranted to conserve or dispose of public property
15 over which the commissioner assumes control or possession under
16 this chapter or Chapter 39.

17 (b) At the request of the commissioner, the attorney general
18 shall bring an action in a Travis County district court to appoint a
19 receiver to liquidate the assets of a former charter school.

20 (c) A court does not have jurisdiction over any receivership
21 proceeding for a charter school commenced on behalf of a person
22 other than the commissioner.

23 (d) Not later than the 30th day after the date the attorney
24 general brings an action to appoint a receiver under this section,
25 the court shall enter a receivership order opening the receivership
26 proceeding.

27 Sec. 12.254. RECEIVERSHIP ORDER. (a) A receivership order

1 shall:

2 (1) appoint the commissioner and any successor in
3 office as the receiver for the former charter school; and

4 (2) direct the receiver to take possession of the
5 property of the former charter school and administer the property
6 subject to this subchapter.

7 (b) The receiver may request that the receivership court
8 appoint a single judge to supervise the receivership and hear any
9 cases or controversies arising out of or related to the
10 receivership.

11 (c) The rights and liabilities of all persons interested in
12 the assets of the former charter school become fixed as of the date
13 of entry of the court's receivership order.

14 Sec. 12.255. POWERS AND DUTIES OF RECEIVER. (a) The
15 receiver may assume or reject any executory contract or unexpired
16 lease of the former charter school.

17 (b) Notwithstanding any other law, the receiver is
18 authorized to liquidate by sale or contract for sale any real
19 property owned by a former charter school to satisfy debts of the
20 school and return public property and proceeds to the state.

21 (c) The receiver may elect to dispose of the former charter
22 school's property using provisions for:

23 (1) the disposal of surplus and salvage property under
24 Chapter 2175, Government Code; or

25 (2) the sale of real property under Section
26 12.12851(b).

27 (d) If the receiver disposes of real property under

1 Subsection (c)(2), the receivership court shall assume sole
2 jurisdiction of the transfer of title.

3 (e) If the receiver or court determines that property placed
4 in the receivership is federal or trust property or otherwise not
5 state public property, the receiver must dispose of that property
6 in accordance with applicable law.

7 Sec. 12.256. APPLICABILITY OF OTHER LAWS. (a) Any law
8 governing the procurement of goods and services by the state does
9 not apply to a contract entered into by the commissioner as a
10 receiver. This subchapter does not waive any immunity or create a
11 cause of action against the state.

12 (b) A receiver appointed under this subchapter may not be
13 required to pay any filing, recording, transcript, or
14 authentication fee to any public officer in the state.

15 Sec. 12.257. SPECIAL DEPUTY RECEIVER; OTHER EMPLOYMENT.

16 (a) The receiver may appoint or contract with one or more special
17 deputy receivers to act for the receiver under this subchapter and
18 may employ or contract with legal counsel, actuaries, accountants,
19 appraisers, consultants, clerks, assistants, and other personnel
20 necessary to assist in the liquidation of the former charter
21 school's assets.

22 (b) A special deputy receiver has all powers of the receiver
23 granted by this subchapter, unless specifically limited by the
24 receiver and except as provided in Sections 12.259(b), 12.262(d)
25 and (e), and 12.264(c), and serves at the pleasure of the receiver.

26 (c) A special deputy receiver or other person with whom the
27 receiver contracts under this section may act on behalf of the

1 commissioner only in the commissioner's capacity as receiver.

2 (d) The receiver may determine the reasonable compensation
3 for any special deputy receiver, employee, or contractor and pay
4 compensation in accordance with Section 12.262.

5 Sec. 12.258. PERFORMANCE BOND. The court may require a
6 special deputy receiver to execute a bond to ensure the proper
7 performance of the special deputy receiver's duties under this
8 subchapter in an amount to be set by the court.

9 Sec. 12.259. ASSETS OF FORMER CHARTER SCHOOL. (a) The
10 receiver or a special deputy receiver shall take possession of all
11 student and personnel records, books, papers, electronic data,
12 personal and real property, and other assets purchased or acquired,
13 wholly or partly, with state funds of a former charter school.

14 (b) If a record or asset described by Subsection (a) is in
15 the possession of a special deputy receiver, the receiver may
16 review that asset promptly on request made to the special deputy
17 receiver.

18 (c) Notwithstanding Section 12.128(a) or (b), if the
19 charter holder can show through the charter holder's records that
20 any real property was purchased or acquired with nonpublic funds,
21 the receiver shall:

22 (1) return the real property to the former charter
23 holder in accordance with Section 12.255(e) if the real property
24 was purchased wholly with nonpublic funds; or

25 (2) remit to the former charter holder the net
26 proceeds from the sale of the real property in proportion to the
27 amount of nonpublic funds used to purchase or acquire the real

1 property if the real property was purchased partially with public
2 funds.

3 (d) The receiver or special deputy receiver is required to
4 comply with the Family Educational Rights and Privacy Act (20
5 U.S.C. Section 1232g).

6 Sec. 12.260. IMMUNITY, INDEMNIFICATION, AND
7 REPRESENTATION. (a) The commissioner is entitled to immunity for
8 all acts taken as a receiver. A special deputy receiver is entitled
9 to immunity to the same extent as the commissioner acting as a
10 receiver.

11 (b) If any legal action is commenced against the receiver or
12 a special deputy receiver, whether against the receiver or special
13 deputy receiver personally or in their official capacity, resulting
14 from an alleged act, error, or omission of the receiver or special
15 deputy receiver arising out of or by reason of their duties or
16 employment, the receiver or special deputy receiver is indemnified
17 for all expenses, attorney's fees, judgments, settlements,
18 decrees, or amounts due and owing or paid in satisfaction of or
19 incurred in the defense of the legal action, unless it is determined
20 on a final adjudication on the merits that the alleged act, error,
21 or omission of the receiver or special deputy receiver giving rise
22 to the claim:

23 (1) did not arise out of or by reason of the receiver's
24 or special deputy receiver's duties or employment; or

25 (2) was caused by intentional or wilful and wanton
26 misconduct.

27 (c) Any indemnification shall first be paid from the assets

1 of the former charter school. If no assets of the former charter
2 school are available, the state shall indemnify the receiver or
3 special deputy receiver.

4 (d) The attorney general shall represent the receiver or
5 special deputy receiver:

6 (1) in all actions relating to a receivership under
7 this subchapter; and

8 (2) in any suit challenging an action taken by the
9 receiver or special deputy receiver in the receiver's or special
10 deputy receiver's capacity as a receiver unless the conduct was
11 caused by intentional or wilful and wanton misconduct.

12 Sec. 12.261. REQUESTED NOTICE. (a) On written request to
13 the receiver, a person must be placed on the service list to receive
14 notice of matters filed by the receiver. It is the responsibility
15 of the person requesting notice to inform the receiver in writing of
16 any changes in the person's address or e-mail address or to request
17 that the person's name be deleted from the service list. The
18 receiver may require that a person on the service list provide
19 confirmation to remain on the service list. Any person who fails to
20 confirm the person's intent to remain on the service list may be
21 purged from the service list. Inclusion on the service list does
22 not confer standing in the receivership proceeding to raise,
23 appear, or be heard on any issue.

24 (b) Notice of a proposed disposition plan to a person on the
25 service list must be provided as established by Section 12.265.

26 Sec. 12.262. APPROVAL AND PAYMENT OF EXPENSES. (a) The
27 receiver shall submit an estimate of expenses to the receivership

1 court for approval. The expenses of a receivership under this
2 section do not include the debts of a former charter school under
3 Sections 12.263(b)(1) and (2).

4 (b) The receiver may pay any expenses under contracts,
5 leases, employment agreements, or other arrangements entered into
6 by the former charter school before receivership from the assets of
7 the former charter school. The receiver is not required to pay any
8 expenses that the receiver determines are not necessary and may
9 reject any contract under Section 12.255(a).

10 (c) The receiver may deposit former charter school funds in
11 the revoked charter school liquidation account established under
12 Section 12.269 and pay former charter school expenses from that
13 account.

14 (d) If a special deputy receiver has been appointed to pay
15 certain expenses and the special deputy receiver has insufficient
16 funds to pay those expenses from the assets of the former charter
17 school, the special deputy receiver may request that the receiver
18 draw funds from the revoked charter school liquidation account
19 established under Section 12.269 to pay the expenses.

20 (e) If the receiver determines that the expenses under
21 Subsection (d) are necessary, the receiver may withdraw the amount
22 necessary to pay the expenses of the receivership.

23 Sec. 12.263. PRIORITIZATION AND SATISFACTION OF DEBTS. (a)
24 The state, commissioner, or receiver may not be held liable for the
25 debts or liabilities incurred by a former charter school.

26 (b) Unless otherwise prohibited by federal law, the
27 receiver shall satisfy debts of a former charter school in

1 accordance with a proposed disposition plan after payment of:

2 (1) secured debts and liens perfected on public
3 property before the school's charter was revoked, as described by
4 Section 12.128(e);

5 (2) debts to state and federal governmental entities,
6 including payments to a conservator, monitor, superintendent, or
7 member of a board of managers or management; and

8 (3) expenses of the receivership.

9 (c) After satisfaction of the debts and expenses listed in
10 Subsection (b), any remaining state assets of a former charter
11 school shall be used to satisfy debts in the following priority,
12 unless otherwise ordered by the receivership court:

13 (1) salary owed to non-administrative faculty and
14 staff;

15 (2) unpaid, unsecured rent on leasehold;

16 (3) vendors; and

17 (4) any other debts recognized by law.

18 Sec. 12.264. PROPOSED DISPOSITION PLAN. (a) The receiver
19 shall file with the court a proposed disposition plan that accounts
20 for:

21 (1) the disposition of all known assets of the former
22 charter school;

23 (2) the amount of all expenses that the receiver may
24 incur; and

25 (3) any debts of the former charter school that the
26 receiver proposes to satisfy.

27 (b) The proposed disposition plan must specifically

1 identify any property that is not considered to be public property
2 under Section 12.128.

3 (c) If the commissioner appoints a special deputy receiver
4 to develop the disposition plan, the special deputy receiver must
5 present the plan to the commissioner for approval before filing the
6 plan with the court.

7 Sec. 12.265. NOTICE OF PROPOSED DISPOSITION PLAN. (a)
8 Unless the receivership court otherwise directs, the receiver shall
9 give notice of the proposed disposition plan as soon as possible:

10 (1) by first class mail or electronic communication as
11 permitted by the receivership court to:

12 (A) any person known or reasonably expected to
13 have a claim against the former charter school, at the person's last
14 known address as indicated by the records of the former charter
15 school;

16 (B) each state and federal agency with an
17 interest in the proceeding; and

18 (C) any person on the service list under Section
19 12.261; and

20 (2) by publication in a newspaper of general
21 circulation in the county in which the principal place of business
22 of the former charter school was located, in any county in which the
23 former charter holder operated a school during the preceding three
24 school years, and in any other location the receiver deems
25 appropriate.

26 (b) The notice of the proposed disposition plan must contain
27 or provide directions for obtaining the following information:

1 (1) a statement that the former charter school has
2 ceased to operate and that the commissioner has taken possession
3 and assumed control of the school's assets under Section 12.128;

4 (2) a statement of the date, time, and location of any
5 initial status hearing scheduled at the time the notice is sent;

6 (3) a description of the process for obtaining notice
7 of matters before the receivership court; and

8 (4) any other information the receiver or the
9 receivership court deems appropriate.

10 (c) If notice is given in accordance with this section, the
11 distribution of property of the former charter school under this
12 subchapter is conclusive with respect to all claimants, regardless
13 of whether the claimant received notice.

14 (d) Notwithstanding any other provision of this section,
15 the receiver has no duty to locate any person if an address is not
16 found in the records of the former charter school or if mailings are
17 returned to the receiver because of the inability to deliver to the
18 address shown in the records of the school. If notice is not given
19 to a person as provided by this subsection, notice by publication or
20 actual notice received is sufficient.

21 (e) Written certification by the receiver or other
22 knowledgeable person acting for the receiver that the notice was
23 deposited in the United States mail, postage prepaid, or that the
24 notice has been electronically transmitted is prima facie evidence
25 of mailing and receipt of notice. All claimants shall keep the
26 receiver informed of any changes of address.

27 Sec. 12.266. HEARING AND APPEAL ON DISPOSITION PLAN. (a)

1 Any party objecting to the proposed disposition plan must file an
2 objection specifying the grounds for the objection not later than
3 the 45th day after the date of the notice of the filing of the
4 proposed disposition plan or within another period as the
5 receivership court may set. An objection must also be served on the
6 receiver and any other person served with the proposed disposition
7 plan. An objecting party has the burden of showing why the
8 receivership court should not authorize the proposed disposition
9 plan or any other action proposed by the receiver.

10 (b) If no objection to the proposed disposition plan is
11 timely filed, the receivership court shall enter an order approving
12 the application without a hearing. The receiver may request that
13 the receivership court enter an order or hold a hearing on any
14 outstanding motions on an expedited basis.

15 (c) If an objection is timely filed, the receivership court
16 may hold a hearing. If the receivership court approves the proposed
17 disposition plan and, on a motion by the receiver, determines that
18 the objection was frivolous or filed for delay or for another
19 improper purpose, the receivership court shall order the objecting
20 party to pay the receiver's reasonable costs and fees of defending
21 the action.

22 Sec. 12.267. LIQUIDATION ORDER. (a) When the receiver has
23 disposed of all assets according to the proposed disposition plan
24 approved by the court, the receiver shall promptly apply to the
25 receivership court for entry of a liquidation order.

26 (b) On demonstration to the court that the receiver has
27 complied with the disposition plan and all assets have been

1 disposed of in accordance with the plan, the court shall enter a
2 liquidation order discharging the receiver and closing the
3 receivership.

4 (c) A liquidation order under this subchapter is final and
5 may not be appealed.

6 Sec. 12.268. DISPOSITION OF REMAINING FUNDS. After a
7 liquidation order has been entered, the commissioner shall deposit
8 any remaining funds from the former charter school in the revoked
9 charter school liquidation account established under Section
10 12.269.

11 Sec. 12.269. REVOKED CHARTER SCHOOL LIQUIDATION ACCOUNT.

12 (a) The commissioner shall remit to the comptroller funds received
13 under Sections [12.116](#), [12.128](#), 12.1285, and this subchapter for
14 deposit in an interest-bearing deposit account outside the treasury
15 in the Texas Treasury Safekeeping Trust Company to be known as the
16 revoked charter school liquidation account. Money in the account
17 may be spent by the commissioner only for the purposes provided by
18 this section.

19 (b) The revoked charter school liquidation account shall be
20 administered by the commissioner to pay the expenses:

21 (1) incurred during a receivership of a former charter
22 school;

23 (2) of managing a former charter school under Section
24 [12.116](#); or

25 (3) of disposing of property under Section [12.128](#),
26 [12.1285](#), or [12.12851](#).

27 (c) The commissioner shall annually review the revoked

1 charter school liquidation account and transfer any funds exceeding
2 \$2 million to the comptroller for deposit in the charter district
3 bond guarantee reserve fund established under Section 45.0571. The
4 commissioner may delay a transfer under this subsection if the
5 excess does not exceed \$100,000.

6 Sec. 12.270. RULES. The commissioner may adopt rules
7 necessary to implement this subchapter.

8 SECTION 5. Subchapter A, Chapter 2175, Government Code, is
9 amended by adding Section 2175.005 to read as follows:

10 Sec. 2175.005. CHARTER SCHOOLS. For purposes of this
11 chapter, a charter school is treated as a political subdivision
12 that has the authority to acquire surplus or salvage property.

13 SECTION 6. This Act takes effect immediately if it receives
14 a vote of two-thirds of all the members elected to each house, as
15 provided by Section 39, Article III, Texas Constitution. If this
16 Act does not receive the vote necessary for immediate effect, this
17 Act takes effect September 1, 2015.