

House Bill 1707
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Section 12.1058, Education Code, is amended by amending Subsection (c) and adding Subsections (d), (d-1), (d-2), (d-3), (d-4), (d-5), and (d-6) to read as follows:

(c) Notwithstanding Subsection (a) or (b), an open-enrollment charter school operated by a tax exempt entity as described by Section 12.101(a)(3) is not considered to be a political subdivision, local government, or local governmental entity unless:

(1) a ~~[the applicable]~~ statute specifically states that the statute applies to an open-enrollment charter school; or

(2) a provision in this chapter states that a specific statute applies to an open-enrollment charter school.

(d) A political subdivision shall consider an open-enrollment charter school a school district for purposes of zoning, project permitting, platting and replatting processes, business licensing, franchises, utility services, signage, subdivision regulation, property development projects, the requirements for posting bonds or securities, contract requirements, land development standards as provided by Section 212.902, Local Government Code, tree and vegetation regulations, regulations of architectural features of a structure, construction of fences, landscaping, garbage disposal, noise levels, fees or other assessments, and construction or site development work if the charter school certifies

in writing to the political subdivision that no administrator, officer, or employee of the charter school and no member of the governing body of the charter school or its charter holder derives any personal financial benefit from a real estate

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SECTION 1. Section 12.1058, Education Code, is amended by amending Subsection (c) and adding Subsections (d), (e), (f), (g), (h), (i), (j), (k), (l), and (m) to read as follows:

(c) Notwithstanding Subsection (a) or (b), an open-enrollment charter school operated by a tax exempt entity as described by Section 12.101(a)(3) is not considered to be a political subdivision, local government, or local governmental entity unless:

(1) a ~~[the applicable]~~ statute specifically states that the statute applies to an open-enrollment charter school; or

(2) a provision in this chapter states that a specific statute applies to an open-enrollment charter school.

(d) A political subdivision shall consider an open-enrollment charter school a school district for purposes of zoning, project permitting, platting and replatting processes, business licensing, franchises, utility services, signage, subdivision regulation, property development projects, the requirements for posting bonds or securities, contract requirements, land development standards as provided by Section 212.902, Local Government Code, tree and vegetation regulations, regulations of architectural features of a structure, construction of fences, landscaping, garbage disposal, noise levels, fees or other assessments, and construction or site development work if the charter school provides to the political subdivision the certification described by Subsection (e).

(e) To be considered a school district by a political subdivision in accordance with Subsection (d), the governing body of an open-enrollment charter school must certify in writing to the political subdivision that no administrator, officer, or employee of the charter school and no member of the governing body of the charter school or its charter holder derives any personal financial benefit from a real estate

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transaction with the charter school.

If an open-enrollment charter school is considered a school district as provided by this subsection, the charter school shall comply with the same requirements imposed by the political subdivision on a campus of a school district.

An open-enrollment charter school does not have the power of eminent domain.

(d-1) A political subdivision may not consider an open-enrollment charter school a school district under Section 395.022, Local Government Code, for the purposes of the collection of impact fees imposed under Chapter 395, Local Government Code, by the political subdivision for providing capital funding for public water and wastewater facilities.

(d-2) A political subdivision may not take any action that prohibits an open-enrollment charter school from operating a public school campus, educational support facility, athletic facility, or administrative office within the political subdivision's jurisdiction or on any specific property located within the jurisdiction of the political subdivision that it could not take against a school district. A political subdivision shall grant approval in the same manner and follow the same timelines as if the charter school were a school district located in that political subdivision's jurisdiction, provided that, for a new campus, the charter school provide notice, in the manner provided by and to the persons listed in Section 12.1101, of the location of the new campus within 20 business days of closing on the purchase or lease of real property for that campus.

(d-3) This section applies to both owned and leased property of the open-enrollment charter school under Section 12.128.

(d-4) Except as provided by this section, this section does not affect the authority granted by state law to a political

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transaction with the charter school.

(f) An open-enrollment charter school considered a school district under this section shall comply with the same requirements imposed by the political subdivision on a campus of a school district.

(g) An open-enrollment charter school does not have the power of eminent domain.

(h) A political subdivision may not consider an open-enrollment charter school a school district under Section 395.022, Local Government Code, for the purposes of the collection of impact fees imposed under Chapter 395, Local Government Code, by the political subdivision for providing capital funding for public water and wastewater facilities.

(i) A political subdivision may not take any action that prohibits an open-enrollment charter school from operating a public school campus, educational support facility, athletic facility, or administrative office within the political subdivision's jurisdiction or on any specific property located within the jurisdiction of the political subdivision that it could not take against a school district. A political subdivision shall grant approval in the same manner and follow the same timelines as if the charter school were a school district located in that political subdivision's jurisdiction, provided that, for a new campus, the charter school provide notice, in the manner provided by and to the persons listed in Section 12.1101, of the location of the new campus within 20 business days of closing on the purchase or lease of real property for that campus.

(j) This section applies to both owned and leased property of the open-enrollment charter school under Section 12.128.

(k) Except as otherwise provided by this section, this section does not affect the authority granted by state law to a political

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subdivision to regulate an open-enrollment charter school regarding health and safety ordinances.

(d-5) In this section, "political subdivision" does not include a school district.

(d-6) This subsection applies only to information of a financial nature of an open-enrollment charter school subject to this section. A nonprofit entity operating an open-enrollment charter school under Chapter 12 or a management company providing management services to the nonprofit entity is considered a governmental body for purposes of Chapter 552, Government Code, and information managed by the entity or company is subject to disclosure under Chapter 552, Government Code.

SECTION 2. Section 212.902, Local Government Code, is amended to read as follows:

Sec. 212.902. SCHOOL DISTRICT AND OPEN-ENROLLMENT CHARTER SCHOOL LAND DEVELOPMENT STANDARDS. (a) This section applies to an agreement [agreements] between a school district or open-enrollment charter school [districts] and a [any] municipality which has annexed territory for limited purposes.

(b) On request by a school district or open-enrollment charter school, a municipality shall enter an agreement with the board of trustees of the school district or the governing body of the open-enrollment charter school to establish review fees, review periods, and land development standards ordinances and to provide alternative water pollution control methodologies for school buildings constructed by the school

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subdivision to regulate an open-enrollment charter school through applicable health and safety ordinances imposed by the political subdivision.

(l) In this section, "political subdivision" does not include a school district.

(m) This subsection applies only to information of a financial nature related to property transactions of an open-enrollment charter school subject to this section. A nonprofit entity operating an open-enrollment charter school under Chapter 12 or a management company providing management services to the nonprofit entity is considered a governmental body for purposes of Chapter 552, Government Code, and financial information related to property transactions that is managed or possessed by the entity or company is subject to disclosure under Chapter 552, Government Code.

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Sec. 212.902. SCHOOL DISTRICT AND OPEN-ENROLLMENT CHARTER SCHOOL LAND DEVELOPMENT STANDARDS. (a) This section applies to an agreement [agreements] between a school district or open-enrollment charter school [districts] and a [any] municipality which has annexed territory for limited purposes.

(b) On request by a school district or open-enrollment charter school, a municipality shall enter an agreement with the board of trustees of the school district or the governing body of the open-enrollment charter school to establish review fees, review periods, and land development standards ordinances and to provide alternative water pollution control methodologies for school buildings constructed by the school

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district or open-enrollment charter school. The agreement shall include a provision exempting the district or charter school from all land development ordinances in cases where the district or charter school is adding temporary classroom buildings on an existing school campus.

(c) If the municipality and the school district or open-enrollment charter school do not reach an agreement on or before the 120th day after the date on which the municipality receives the district's or charter school's request for an agreement, proposed agreements by the [~~school~~] district or charter school and the municipality shall be submitted to an independent arbitrator appointed by the presiding district judge whose jurisdiction includes the [~~school~~] district or charter school. The arbitrator shall, after a hearing at which both the [~~school~~] district or charter school and the municipality make presentations on their proposed agreements, prepare an agreement resolving any differences between the proposals. The agreement prepared by the arbitrator will be final and binding upon both the [~~school~~] district or charter school and the municipality. The cost of the arbitration proceeding shall be borne equally by the [~~school~~] district or charter school and the municipality.

(d) A school district or open-enrollment charter school that requests an agreement under this section, at the time the district or charter school [it] makes the request, shall send a copy of the request to the commissioner of education. At the end of the 120-day period, the requesting district or charter school shall report to the commissioner the status or result of negotiations with the municipality. A municipality may send a separate status report to the commissioner. The district or charter school shall send to the commissioner a copy of each agreement between the district or charter school and a

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district or open-enrollment charter school. The agreement shall include a provision exempting the district or charter school from all land development ordinances in cases where the district or charter school is adding temporary classroom buildings on an existing school campus.

(c) If the municipality and the school district or open-enrollment charter school do not reach an agreement on or before the 120th day after the date on which the municipality receives the district's or charter school's request for an agreement, proposed agreements by the [~~school~~] district or charter school and the municipality shall be submitted to an independent arbitrator appointed by the presiding district judge whose jurisdiction includes the [~~school~~] district or charter school. The arbitrator shall, after a hearing at which both the [~~school~~] district or charter school and the municipality make presentations on their proposed agreements, prepare an agreement resolving any differences between the proposals. The agreement prepared by the arbitrator will be final and binding upon both the [~~school~~] district or charter school and the municipality. The cost of the arbitration proceeding shall be borne equally by the [~~school~~] district or charter school and the municipality.

(d) A school district or open-enrollment charter school that requests an agreement under this section, at the time the district or charter school [it] makes the request, shall send a copy of the request to the commissioner of education. At the end of the 120-day period, the requesting district or charter school shall report to the commissioner the status or result of negotiations with the municipality. A municipality may send a separate status report to the commissioner. The district or charter school shall send to the commissioner a copy of each agreement between the district or charter school and a

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municipality under this section.

(e) An agreement between a municipality and an open-enrollment charter school under Subsection (b) may require that:

(1) any revised land development standards may apply only as long as the property is being used for purposes of the school; and

(2) any property in use under land development standards established only for an open-enrollment charter school must be brought into compliance with all development regulations applicable to non-school related commercial developments by the property owner after closure or relocation of the school.

(f) [(e)] In this section:

(1) [;] "Land [land] development standards" includes impervious cover limitations, building setbacks, floor to area ratios, building heights and coverage, water quality controls, landscaping, development setbacks, compatibility standards, traffic analyses, including traffic impact analyses, parking requirements, signage requirements, and driveway cuts, if applicable.

(2) "Open-enrollment charter school" means a school granted a charter under Subchapter C, D, or E, Chapter 12, Education Code.

(g) [(f)] Nothing in this section shall be construed to limit the applicability of or waive fees for fire, safety, health, or building code ordinances of the municipality prior to or during construction of school buildings, nor shall any agreement waive any fee or modify any ordinance of a municipality for an administration, service, or athletic facility proposed for construction by a school district or open-enrollment charter school.

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municipality under this section.

(e) An agreement between a municipality and an open-enrollment charter school under Subsection (b) may require that:

(1) any revised land development standards may apply only while the property is used for purposes of the charter school; and

(2) any property in use subject to land development standards established only for an open-enrollment charter school must be brought into compliance with all development regulations applicable to non-school related commercial developments by the property owner after closure or relocation of the charter school.

(f) [(e)] In this section:

(1) [;] "Land [land] development standards" includes impervious cover limitations, building setbacks, floor to area ratios, building heights and coverage, water quality controls, landscaping, development setbacks, compatibility standards, traffic analyses, including traffic impact analyses, parking requirements, signage requirements, and driveway cuts, if applicable.

(2) "Open-enrollment charter school" means a school granted a charter under Subchapter C, D, or E, Chapter 12, Education Code.

(g) [(f)] Nothing in this section shall be construed to limit the applicability of or waive fees for fire, safety, health, or building code ordinances of the municipality prior to or during construction of school buildings, nor shall any agreement waive any fee or modify any ordinance of a municipality for an administration, service, or athletic facility proposed for construction by a school district or open-enrollment charter school.

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<p>SECTION 3. Section 552.053(b), Local Government Code, is amended to read as follows:</p> <p>(b) The following may be exempt:</p> <p>(1) this state;</p> <p>(2) a county;</p> <p>(3) a municipality; <u>or</u></p> <p>(4) [a] school <u>districts and open-enrollment charter schools</u> [district].</p>	<p>SECTION 3. Same as House version.</p>	
<p>SECTION 4. Section 12.103(c), Education Code, is repealed.</p>	<p>SECTION 4. Same as House version.</p>	
<p>SECTION 5. An exemption granted to a school district under Section 552.053(b)(4), Local Government Code, as that subdivision existed before the effective date of this Act, automatically extends to all open-enrollment charter schools located in the municipality after the effective date of this Act unless the municipality repeals the exemption before the effective date of this Act.</p>	<p>SECTION 5. Same as House version.</p>	
<p>SECTION 6. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.</p>	<p>SECTION 6. Same as House version.</p>	