

HB0241S02 compared with HB0241

{Omitted text} shows text that was in HB0241 but was omitted in HB0241S01.

inserted text shows text that was not in HB0241 but was inserted into HB0241S02

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Charter School Amendments
2026 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Candice B. Pierucci
Senate Sponsor:

LONG TITLE

General Description:

This bill modifies provisions related to charter schools, including property disposition, governance requirements, and the Charter School Revolving Fund.

Highlighted Provisions:

This bill:

- gives charter schools {~~the first option~~} parity with eligible entities to purchase decommissioned school property;
- establishes restrictions on charter school resale of acquired property;
- requires charter school governing board members to take an oath of office;
- clarifies that charter schools are public schools;
- replaces the Charter School Revolving Account with the Charter School Revolving Fund; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

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20 None

21 **Utah Code Sections Affected:**

22 AMENDS:

23 **53F-9-203** , as last amended by Laws of Utah 2024, Chapter 507

24 **53G-4-902** , as last amended by Laws of Utah 2025, Chapter 391

25 **53G-5-104** , as last amended by Laws of Utah 2024, Chapter 63

26 **53G-5-401** , as last amended by Laws of Utah 2024, Chapter 63

27 ENACTS:

28 **53F-9-203.1** , Utah Code Annotated 1953

29 **53G-4-904** , Utah Code Annotated 1953

30 **53G-5-406.5** , Utah Code Annotated 1953

32 *Be it enacted by the Legislature of the state of Utah:*

33 Section 1. Section **53F-9-203** is amended to read:

34 **53F-9-203. Charter School Revolving Account.**

35 (1)

36 (a) The terms defined in Section 53G-5-102 apply to this section.

37 (b) As used in this section, "account" means the Charter School Revolving Account.

38 (2)

39 (a) There is created within the Uniform School Fund a restricted account known as the "Charter School Revolving Account" to provide assistance to charter schools to:

40 (i) meet school building construction and renovation needs; and

41 (ii) pay for expenses related to the start[-]up of a new charter school or the expansion of an existing charter school.

42 (b) The state board, in consultation with the State Charter School Board, shall administer the Charter School Revolving Account in accordance with rules adopted by the state board.

43 (3) The Charter School Revolving Account shall consist of:

44 (a) money appropriated to the account by the Legislature;

45 (b) money received from the repayment of loans made from the account; and

46 (c) interest earned on money in the account.

47 (4) The state superintendent shall make loans to charter schools from the account to pay for the costs of:

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50 (a) planning expenses;
51 (b) constructing or renovating charter school buildings;
52 (c) equipment and supplies; or
53 (d) other start-up or expansion expenses.

54 (5) Loans to new charter schools or charter schools with urgent facility needs may be given priority.

56 (6) The state board shall:
57 (a) review requests by charter schools for loans under this section; and
58 (b) in consultation with the State Charter School Board, approve or reject each request.

59 (7) A loan under this section may not be made unless the state board, in consultation with the State Charter School Board, approves the loan.

61 (8) The term of a loan to a charter school under this section may not exceed five years.

62 (9) The state board may not approve loans to charter schools under this section that exceed a total of \$2,000,000 in any fiscal year.

64 (10)
67 (a) On March 16, 2011, the assets of the Charter School Building Subaccount administered by the state board shall be deposited into the Charter School Revolving Account.
67 (b) Beginning on March 16, 2011, loan payments for loans made from the Charter School Building Subaccount shall be deposited into the Charter School Revolving Account.

70 (11) Beginning on July 1, 2026, the state superintendent may not make new loans under this section.
73 Section 2. Section 2 is enacted to read:
74 **53F-9-203.1. Charter School Revolving Fund.**

74 (1) As used in this section:
75 (a) The definitions in Section 53G-5-102 apply to this section.
76 (b) "Fund" means the Charter School Revolving Fund.

77 (2)
79 (a) There is created within the Uniform School Fund a restricted account known as the Charter School Revolving Fund to provide assistance to charter schools to:
80 (i) meet school building construction and renovation needs; and
80 (ii) pay for expenses related to the startup of a new charter school or the expansion of an existing charter school.

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(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the Utah Charter Finance Authority shall make rules to administer the fund including:

84 (i) establishing the interest rates of loans;

85 (ii) amortization schedules for loans; and

86 (iii) other terms of repayment.

87 (3) The fund shall consist of:

88 (a) assets and money deposited in accordance with Subsection (9);

89 (b) money the Legislature appropriates to the fund;

90 (c) money received from the repayment of loans made from the fund; and

91 (d) interest earned on money in the fund.

92 (4) The Utah Charter Finance Authority shall make loans to charter schools from the fund for a loan of:

94 (a) up to \$1,000,000 to a charter school for a school facility addition or expansion; or

95 (b) up to 25% of a requested loan amount to a charter school for the acquisition or construction of a school facility.

97 (5) The Utah Charter Finance Authority shall:

98 (a) review requests by charter schools for loans under this section; and

99 (b) approve or reject each request.

100 (6) The Utah Charter Finance Authority:

101 (a) shall:

102 (i) make a loan that is secured by a promissory note and a deed of trust from the charter school; and

104 (ii) require a recipient charter school to repay the funds if the recipient charter school sells or refinances any collateral associated with the loan; and

106 (b) may make a loan that is subordinate to senior debt.

107 (7) A loan under this section may not be made unless the Utah Charter Finance Authority approves the loan.

109 (8) The Utah Charter Finance Authority shall set the term of a loan to a charter school under this section.

111 (9)

114 (a) On July 1, 2026, the state board shall deposit the assets and unused money of the Charter School Revolving Account that the state board administers as described in Section 53F-9-203 into the fund.

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(b) Beginning on July 1, 2026, the state board shall deposit loan payments for loans made from the Charter School Revolving Account into the fund.

117 Section 3. Section **53G-4-902** is amended to read:

118 **53G-4-902. Purchase of surplus property.**

118 (1) [An] Subject to Subsection {**(8)**} **(9)**, an eligible entity may purchase, and each school district shall sell, surplus property as provided in this section.

120 (2)

122 (a) Upon declaring land to be surplus property, each school district shall give written notice to each eligible entity in which the surplus property is located.

123 (b) Each notice under Subsection (2)(a) shall:

124 (i) state that the school district has declared the land to be surplus property; and

125 (ii) describe the surplus property.

127 (3) Subject to Subsection (4), an eligible entity may purchase the surplus property by paying the school district the purchase price.

129 (4)

132 (a) The legislative body of each eligible entity desiring to purchase surplus property under this section shall:

135 (i) within 90 days after the eligible entity receives notice under Subsection (2), adopt a resolution declaring the intent to purchase the surplus property and deliver a copy of the resolution to the school district; and

138 (ii) within 90 days after delivering a copy of the resolution under Subsection (4)(a)(i) to the school district, deliver to the school district an earnest money offer to purchase the surplus property at the purchase price.

140 (b) If an eligible entity fails to comply with either of the requirements under Subsection (4)(a) within the applicable time period, the eligible entity forfeits the right to purchase the surplus property.

142 (5)

144 (a) An eligible entity may waive the eligible entity's right to purchase surplus property under this part by submitting a written waiver to the school district.

146 (b) If an eligible entity submits a waiver under Subsection (5)(a), the school district has no further obligation under this part to sell the surplus property to the eligible entity.

148 (6) Surplus property acquired by an eligible entity may not be used for any purpose other than:

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144 (a) a county, city, or town hall;

145 (b) a park or other open space;

146 (c) a cultural center or community center;

147 (d) a facility for the promotion, creation, or retention of public or private jobs within the state through planning, design, development, construction, rehabilitation, business relocation, or any combination of these, within a county, city, or town;

150 (e) office, industrial, manufacturing, warehousing, distribution, parking, or other public or private facilities, or other improvements that benefit the state or a county, city, or town;

153 (f) a facility for a charter school under Chapter 5, Charter Schools; or

154 (g) the sale, use, or lease for moderate income housing, as defined in Section 63L-12-101.

155 (7)

157 (a) A school district that sells surplus property under this part may use proceeds from the sale only for bond debt reduction or school district capital facilities.

160 (b) Each school district that sells surplus property under this part shall place all proceeds from the sale that are not used for bond debt reduction in a capital facilities fund of the school district for use for school district capital facilities.

160 (8)

163 (a) {This section does not apply to the disposal of} If both a charter school {building} and {associated real property described in Section 53G-4-904, which provides charter schools with} one or more eligible entities express interest in purchasing the same surplus property under this section, the {first option to purchase.} school district may select among applicants based on factors including:

165 (b) {(i) After charter schools have exercised or waived the right to the first option to purchase under Section 53G-4-904, an eligible entity may purchase the property under this section.} educational program fit;

166 (ii) financial capacity;

167 (iii) community benefit; and

168 (iv) the intended use of the property as described in Subsection (6).

170 (b) The school district shall provide a written explanation of the school district's decision that identifies which factors under Subsection (8)(a) were determinative.

(9) Charter schools and eligible entities have equal rights to purchase property under this section and Section 53G-4-904, with neither having priority over the other.

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172 Section 4. Section 4 is enacted to read:

173 **53G-4-904. Charter school {first} eligible entity option to purchase decommissioned school
buildings and property -- Restrictions on resale.**

169 (1) As used in this section:

170 (a) "Originating LEA" means the LEA that owns the school building to be disposed of or
{decommissioned} deco.

172 (b) "School building and associated real property" means:

173 (i) a building that has been used as a school facility and the real property on which the building is
located; and

175 (ii) does not include portable or modular classrooms that are not permanently affixed to the real
property.

177 (2) Before an LEA may dispose of a school building and associated real property through sale or other
disposition of property, the LEA shall provide charter schools and eligible entities, as defined in
Section 53G-4-902, with the {first} option to purchase the school building and associated real
property.

180 (3) In accordance with Subsections (5) and (9), the LEA shall provide written notice of the intended
disposition to all charter schools authorized within the state and all eligible entities at least 90 days
before any proposed sale or other disposition.

183 (4) The LEA shall set the price of the sale using an independent appraisal assessing fair market value,
which may be conducted by the Division of Facilities and Construction Management.

186 (5) The LEA shall ensure the notice includes:

187 (a) a description of the property;

188 (b) the proposed terms of sale including the price determined in accordance with Subsection (4); and

190 (c) a deadline for charter schools and eligible entities to submit written expressions of interest, which
shall be no less than 45 days from the date of notice.

192 (6) If multiple charter schools or eligible entities express interest, the LEA may select among {charter
school} applicants based on factors including educational program fit, financial capacity, and
community benefit.

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(a) A charter school that purchases a school building and associated real property under this section may not dispose of the property through sale or other transfer without first complying with the requirements of {this section} .

198 (b) If a charter school that purchased property under this section intends to dispose of the property, the originating LEA may purchase, and the charter school shall{+} sell, the property at a price equal to the price the charter school paid for the property plus the cost of any existing improvements that the charter school made to the property after it purchased the property.

210 (c) If the originating LEA does not reacquire the property under Subsection (7)(b), the charter school shall:

200 (i) provide all charter schools authorized within the state and all eligible entities with the {first} option to purchase in accordance with the procedures established in this section; and

202 (ii) after charter schools and eligible entities have exercised or waived the {charter schools' rights} right, {provide school districts the opportunity to purchase the property before offering} offer the property for sale to any other entity.

217 (d) If the originating LEA does not reacquire the property under Subsection (7)(b) and the charter school sells the property to another buyer under Subsection (7)(c), the charter school and the originating LEA shall equally share any proceeds of that sale that exceed the amount the charter school paid for the property plus the cost of any existing improvements the charter school made to the property after it purchased the property.

205 (8) {In accordance with Subseetion (10), this} This section does not apply to property dispositions resulting from condemnation proceedings or where federal or state law requires a different disposition process.

208 (9)

(a) When written notice is required under this section, the originating LEA shall notify the state board and charter school authorizers.

210 (b) Upon receiving notice under Subsection (9)(a):

211 (i) each charter school authorizer shall distribute the notice to all charter schools authorized by that authorizer; and

213 (ii) {after all charter schools have waived the right to} the {first option to purchase, the} state board shall distribute the notice to all school districts and eligible entities in the state.

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{~~(10) {The provisions of this section take priority over and supersede any conflicting provisions in Section 53G-4-902 regarding the disposal of school buildings and associated real property.}~~}

232 Section 5. Section **53G-5-104** is amended to read:

233 **53G-5-104. Purpose of charter schools -- Charter schools are public schools.**

220 (1) The purposes of the state's charter schools are to enhance school choice, meet the unique needs of Utah families, and encourage innovation within the public education system by:

223 [~~(1)~~] (a) continuing to improve student learning;

224 [~~(2)~~] (b) encouraging the use of different and innovative teaching methods;

225 [~~(3)~~] (c) creating new professional opportunities for educators that allow educators to actively participate in designing and implementing learning programs at the school;

227 [~~(4)~~] (d) increasing choice of learning opportunities for students;

228 [~~(5)~~] (e) establishing new educational models and new forms of accountability that emphasize unique performance measures and innovative measurement tools to measure education outcomes;

231 [~~(6)~~] (f) providing opportunities for greater parental involvement in governance decisions at the school level;

233 [~~(7)~~] (g) expanding public school choice in areas where there is a lack of school choice or where schools have been identified for school improvement, corrective action, or restructuring; and

236 [~~(8)~~] (h) collaborating within the public education system.

237 (2) As described in Section 53G-5-401, a charter school is a public school for all purposes under Utah law, including:

239 (a) the Legislature's authority under Utah Constitution, Article X, Section 3, to designate schools and educational programs, including charter schools, as part of the public education system;

242 (b) eligibility for public funding and resources;

243 (c) access to public facilities and property;

244 (d) participation in public school programs and initiatives; and

245 (e) application of laws governing an LEA.

260 Section 6. Section **53G-5-401** is amended to read:

261 **53G-5-401. Status of charter schools.**

248 (1) Charter schools[~~are~~]:

249 (a) are considered to be public schools within the state's public education system;

250 (b) are subject to Subsection 53E-3-401(8); and

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251 (c) shall be governed by an independent [boards] board whose members have taken the oath of office
252 as described in Section 53G-5-406.5, and held accountable to a legally binding written contractual
253 agreement.

254 (2) A charter school may be established by:

255 (a) creating a new school; or

256 (b) converting an existing district school to charter status.

257 (3) A parochial school or home school is not eligible for charter school status.

258 Section 7. Section 7 is enacted to read:

53G-5-406.5. Oath of office for charter school governing board members.

260 (1) Before entering upon the duties of office, each charter school governing board member shall take
261 and subscribe to the following oath: "I do solemnly swear that I will support, obey, and defend the
262 Constitution of the United States and the Constitution of the State of Utah, and that I will discharge
263 the duties of my office as a charter school governing board member with fidelity."

264 (2) The charter school's authorizer shall ensure the oath is administered by:

265 (a) in accordance with Section 78B-1-142, any person authorized to administer oaths;

266 (b) for a newly authorized charter school, a representative of the charter school's authorizer; or

267 (c) after the initial board is sworn in, the chair or another member of the charter school governing
268 board.

269 (3) The charter school shall:

270 (a) in accordance with Subsection 51-1-2(2), maintain a record of each governing board member's oath;
271 and

272 (b) provide proof of compliance to the charter school's authorizer upon request.

273 Section 8. **Effective date.**

274 Effective Date.

275 This bill takes effect on May 6, 2026.

276 1-30-26 2:00 PM