

1 **Charter School Facilities**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Candice B. Pierucci**

Sponsor:

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**LONG TITLE****General Description:**

This bill directs school districts to offer materials from demolished schools to other school districts and charter schools first.

**Highlighted Provisions:**

This bill:

- ▶ requires assessment of reusable materials before demolition;
- ▶ gives originating district first priority for internal reuse;
- ▶ provides other school districts and charter schools second priority access;
- ▶ establishes 90-day advance notice and 30-day response periods;
- ▶ exempts emergency demolitions and disaster situations;
- ▶ gives charter schools the first option to purchase a decommissioned school from a local education agency;
- ▶ eliminates the Charter School Revolving Account;
- ▶ establishes the Charter School Revolving Fund;
- ▶ specifies the permitted uses of funds in the Charter School Revolving Fund and procedures for making loans;
- ▶ requires depositing the assets of, and loan payments for loans made from, the Charter School Revolving Account into the Charter School Revolving Fund; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:****AMENDS:**

29 **53E-3-702**, as last amended by Laws of Utah 2024, Chapter 21

30 **53F-9-203**, as last amended by Laws of Utah 2024, Chapter 507

1 ENACTS:

2 **53E-3-712**, Utah Code Annotated 1953

3 **53F-9-203.1**, Utah Code Annotated 1953

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

6 Section 1. Section **53E-3-702** is amended to read:

7 **53E-3-702 . State board to adopt public school construction guidelines.**

38 (1) As used in this section, "public school construction" means construction work on a new  
39 public school.

40 (2)(a) The state board shall:

41 (i) adopt guidelines for public school construction; and

42 (ii) consult with the Division of Facilities Construction and Management

43 Administration and the state security chief appointed under Section 53-22-102 on  
44 proposed guidelines before adoption.

45 (b) The state board shall ensure that guidelines adopted under Subsection (2)(a)(i)  
46 maximize funds used for public school construction and reflect efficient and  
47 economic use of those funds, including adopting guidelines that address a school's  
48 safety and a school's essential needs rather than encouraging or endorsing excessive  
49 costs per square foot of construction or nonessential facilities, design, or furnishings.

50 (3) Before a school district or charter school may begin public school construction, the  
51 school district or charter school shall:

52 (a) review the guidelines adopted by the state board under this section; and

53 (b) take into consideration the guidelines when planning the public school construction.

54 (4) In adopting the guidelines for public school construction, the state board shall consider  
55 the following and adopt alternative guidelines as needed:

56 (a) location factors, including whether the school is in a rural or urban setting, and  
57 climate factors;

58 (b) variations in guidelines for significant or minimal projected student population  
59 growth;

60 (c) guidelines specific to schools that serve various populations and grades, including  
61 high schools, junior high schools, middle schools, elementary schools, alternative  
62 schools, and schools for people with disabilities; and

63 (d) year-round use.

64 (5) The guidelines shall address the following:

65 (a) square footage per student;  
66 (b) minimum and maximum required real property for a public school;  
67 (c) athletic facilities and fields, playgrounds, and hard surface play areas;  
68 (d) necessary specifications to meet the safety standards created by the state security  
69 chief in Section 53E-3-706;  
70 (e) cost per square foot;  
71 (f) minimum and maximum qualities and costs for building materials;  
72 (g) design efficiency;  
73 (h) parking;  
74 (i) furnishing;  
75 (j) proof of compliance with applicable building codes; [and]  
76 (k) safety[.] ; and  
77 (l) procedures for the disposal of building materials, equipment, and fixtures when a  
78 school building is demolished, including first right of refusal requirements as  
79 provided in Section 53E-3-712.

80 Section 2. Section **53E-3-712** is enacted to read:

81 **53E-3-712 . Disposal of building materials, equipment, and fixtures from**  
82 **demolished school buildings -- Assessment and first right of refusal requirements.**

83 (1) As used in this section:

84 (a) "Building materials, equipment, and fixtures" means any reusable or salvageable  
85 items from a school building that is demolished, including:

86 (i) structural materials such as steel beams, lumber, concrete blocks, and roofing  
87 materials;

88 (ii) mechanical, electrical, and plumbing systems and components;

89 (iii) educational equipment including science laboratory fixtures, kitchen equipment,  
90 and industrial arts machinery;

91 (iv) furniture and moveable fixtures;

92 (v) technology infrastructure and equipment;

93 (vi) athletic equipment and playground equipment;

94 (vii) architectural elements and decorative features; and

95 (viii) any other item that may have educational or operational value to another LEA.

96 (b) "Demolition" means the complete or partial destruction, dismantling, or razing of a  
97 school building.

98 (c) "Originating LEA" means the LEA that owns the school building to be demolished.

99 (2) Before an LEA may proceed with the demolition of a school building, the LEA shall:

100 (a) through means the LEA determines, conduct an assessment of building materials,  
101 equipment, and fixtures; and

102 (b) comply with the priority access requirements established in this section.

103 (3)(a) The originating LEA shall conduct a comprehensive assessment of all building  
104 materials, equipment, and fixtures in the school building to be demolished.

105 (b) The originating LEA shall ensure the assessment:

106 (i) identifies items that may be reused within the originating LEA;

107 (ii) identifies items that may have educational or operational value to other LEAs;

108 (iii) estimates the condition and remaining useful life of each identified item;

109 (iv) estimates the fair market value or replacement cost of each identified item; and

110 (v) determines the feasibility and cost of removal and transportation for each  
111 identified item.

112 (c) The originating LEA may contract with a qualified third party to conduct the  
113 assessment.

114 (d) The originating LEA shall complete the assessment at least 90 days before the  
115 planned demolition date.

116 (4)(a) The originating LEA shall have first priority to retain and reuse any building  
117 materials, equipment, and fixtures identified in the assessment for use within the  
118 same LEA.

119 (b) For items the originating LEA does not retain for internal reuse, the originating LEA  
120 shall provide other LEAs with priority access by:

121 (i) preparing an inventory list of available items, including the information required  
122 in Subsection (3)(b);

123 (ii) in accordance with Subsections (4)(c) and (9), providing written notice to other  
124 LEAs of the availability of the items to:

125 (A) first, all charter schools authorized within the state; and

126 (B) second, after all items requested by a charter school have been removed from  
127 the availability list, all school districts in the state; and

128 (iii) posting the inventory list on the state board's website.

129 (c) The originating LEA shall ensure the written notice required in Subsection (4)(b)(ii):

130 (i) includes the complete inventory list or reference the posting on the state board's  
131 website;

132 (ii) specifies the location where items may be inspected;

133 (iii) states the deadline for an LEA to submit requests for items, which shall be no  
134 less than 30 days from the date of notice;

135 (iv) states that a requesting LEA is responsible for removal and transportation costs;  
136 and

137 (v) includes contact information for the originating LEA.

138 (d) An LEA requesting items shall submit written requests to the originating LEA within  
139 the specified deadline, including:

140 (i) identification of the specific items requested;

141 (ii) intended use of the items; and

142 (iii) confirmation of ability to arrange removal and transportation.

143 (e) If multiple LEAs request the same item, the originating LEA shall give priority to:

144 (i) charter schools over school districts;

145 (ii) in accordance with Subsection (4)(e)(iii), an LEA within the same geographic  
146 region over an LEA from other regions; and

147 (iii) for an item that has multiple charter schools within the same geographic region  
148 requesting the item, the originating LEA shall allow those charter schools to  
149 submit bids for the item, and the charter school submitting the highest bid shall be  
150 awarded the item.

151 (f) The originating LEA shall notify a successful requesting LEA within 15 days of the  
152 request deadline.

153 (g) An LEA awarded items shall arrange for removal and transportation at their own  
154 expense within 60 days of notification, unless a longer period is agreed to in writing  
155 by the originating LEA.

156 (5) Notwithstanding other applicable state law, the originating LEA may dispose of  
157 remaining items through:

158 (a) donation to other governmental entities;

159 (b) sale to the public through competitive bidding or auction;

160 (c) donation to charitable organizations; or

161 (d) recycling or disposal as waste for items with no value.

162 (6) The state board may adopt rules in accordance with Title 63G, Chapter 3, Utah  
163 Administrative Rulemaking Act, to:

164 (a) establish geographic regions for purposes of this section;

165 (b) create standardized forms and procedures for the assessment and notification  
166 processes;

167 (c) establish minimum standards for the qualification of third parties conducting  
168 assessments;

169 (d) define procedures for resolving disputes between LEAs; and

170 (e) establish any other procedures necessary to implement this section.

171 (7) This section does not apply to:

172 (a) emergency demolitions necessitated by immediate safety hazards; or

173 (b) demolitions of buildings damaged by natural disasters where the state board  
174 determines that compliance with this section would be impractical.

175 (8)(a) Before an LEA may dispose of a school building and the building's associated real  
176 property through sale, lease, or other transfer, the LEA shall provide charter schools  
177 with the first option to the school building and associated real property.

178 (b) In accordance with Subsections (8)(d) and (9), the LEA shall provide written notice  
179 of the intended disposition to all charter schools authorized within the state at least 90  
180 days before any proposed sale, lease, or other transfer.

181 (c) The LEA shall set the price of the sale, lease, or other transfer before the first option  
182 offer using an independent appraisal assessing fair market value, which may be  
183 conducted by the Division of Facilities and Construction Management.

184 (d) The LEA shall ensure the notice includes:

185 (i) a description of the property;

186 (ii) the proposed terms of sale, lease, or other transfer including the price or cost  
187 determined in accordance with Subsection (8)(c);

188 (iii) any conditions or restrictions on the property use; and

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

191 (e) If multiple charter schools express interest, the LEA may select among qualified  
192 charter school applicants based on factors including educational program fit, financial  
193 capacity, and community benefit.

194 (f) This subsection does not apply to property dispositions resulting from condemnation  
195 proceedings or where federal or state law requires a different disposition process.

196 (9)(a) When written notice is required under Subsection (4) or (8), the originating LEA  
197 shall provide the notice by notifying the state board and all charter school authorizers  
198 of the information required to be included in the notice.

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

200 (i) the state board shall distribute the notice to all school districts in the state; and

(ii) each charter school authorizer shall distribute the notice to all charter schools authorized by that authorizer.

Section 3. Section **53F-9-203** is amended to read:

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

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

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

(2)(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

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

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

(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.

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

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

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

(c) interest earned on money in the account.

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

(a) planning expenses;

(b) constructing or renovating charter school buildings;

(c) equipment and supplies; or

(d) other start-up or expansion expenses.

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

(6) The state board shall:

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

(b) in consultation with the State Charter School Board, approve or reject each request.

(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.

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

(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.

235 (10)(a) On March 16, 2011, the assets of the Charter School Building Subaccount  
236 administered by the state board shall be deposited into the Charter School Revolving  
237 Account.

238 (b) Beginning on March 16, 2011, loan payments for loans made from the Charter  
239 School Building Subaccount shall be deposited into the Charter School Revolving  
240 Account.

241 (11) Beginning on July 1, 2026, the state superintendent may not make new loans under this  
242 section.

243 Section 4. Section **53F-9-203.1** is enacted to read:

244 **53F-9-203.1 . Charter School Revolving Fund.**

245 (1) As used in this section:

246 (a) Any term defined in Section 53G-5-102 means the same as the term is defined in  
247 Section 53G-5-102.

248 (b) "Fund" means the Charter School Revolving Fund.

249 (2)(a) There is created within the Uniform School Fund a restricted account known as  
250 the Charter School Revolving Fund to provide assistance to charter schools to:

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

252 (ii) pay for expenses related to the startup of a new charter school or the expansion of  
253 an existing charter school.

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

256 (i) establishing the interest rates of loans;

257 (ii) amortization schedules for loans; and

258 (iii) other terms of repayment.

259 (3) The fund shall consist of:

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

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

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

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

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

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

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

269 (5) The Utah Charter Finance Authority shall:

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

271 (b) approve or reject each request.

272 (6) The Utah Charter Finance Authority:

273 (a) shall:

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

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

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

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

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

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

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

288 **Section 5. Effective Date.**

289 This bill takes effect on May 6, 2026.