

**53A-1a-522 Charter School Revolving Account.**

- (1) 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 of Education, in consultation with the State Charter School Board, shall administer the Charter School Revolving Account in accordance with rules adopted by the State Board of Education.
- (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 of public instruction 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)
  - (a) The State Board of Education shall establish a committee to:
    - (i) review requests by charter schools for loans under this section; and
    - (ii) make recommendations regarding approval or disapproval of the loan applications to the State Charter School Board and the State Board of Education.
  - (b)
    - (i) A committee established under Subsection (6)(a) shall include individuals who have expertise or experience in finance, real estate, or charter school administration.
    - (ii) Of the members appointed to a committee established under Subsection (6)(a):
      - (A) one member shall be nominated by the governor; and
      - (B) the remaining members shall be selected from a list of nominees submitted by the State Charter School Board.
  - (c) If the committee recommends approval of a loan application under Subsection (6)(a)(ii), the committee's recommendation shall include:
    - (i) the recommended amount of the loan;
    - (ii) the payback schedule; and
    - (iii) the interest rate to be charged.
  - (d) A committee member may not:
    - (i) be a relative, as defined in Section 53A-1a-518, of a loan applicant; or
    - (ii) have a pecuniary interest, directly or indirectly, with a loan applicant or any person or entity that contracts with a loan applicant.
- (7) A loan under this section may not be made unless the State Board of Education, 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 of Education may not approve loans to charter schools under this section that exceed a total of \$2,000,000 in any fiscal year.

(10)

- (a) On March 16, 2011, the assets of the Charter School Building Subaccount administered by the State Board of Education shall be deposited into the Charter School Revolving Account.
- (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.

Enacted by Chapter 30, 2011 General Session