

## Part 1 Utah Charter School Finance Authority

### **53A-20b-101 Title.**

This chapter is known as the "Charter School Financing Act."

Amended by Chapter 201, 2012 General Session

### **53A-20b-102 Definitions.**

As used in this chapter:

- (1) "Annual charter school enrollment" means the total enrollment of all students in the state enrolled in a charter school in grades kindergarten through grade 12, based on October 1 enrollment counts.
- (2) "Annual state enrollment" means the total enrollment of all students in the state enrolled in a public school in grades kindergarten through grade 12, based on October 1 enrollment counts.
- (3) "Authority" means the Utah Charter School Finance Authority created by this part.
- (4) "Board" means the governing board of the authority described in Section 53A-20b-103.
- (5) "Charter school" means a school created under Title 53A, Chapter 1a, Part 5, The Utah Charter Schools Act.
- (6) "Credit enhancement program" means the Charter School Credit Enhancement Program established in Part 2, Charter School Credit Enhancement Program.
- (7) "Debt service reserve fund" means the reserve fund created or established by, or for the benefit of, a qualifying charter school for the purpose of paying principal of and interest on bonds issued under the credit enhancement program as the payments become due and other money of the qualifying charter school is not available to make the payments.
- (8) "Debt service reserve fund requirement" means, as of a particular date of computation, and with respect to a particular issue of bonds, the amount required to be on deposit in the debt service reserve fund, which amount:
  - (a) may be a sum certain or as set forth in a formula; and
  - (b) may not be less than the maximum annual debt service requirement for the related bonds.
- (9)
  - (a) "Obligations" mean any notes, debentures, revenue bonds, or other evidences of financial indebtedness, except as provided in Subsection (9)(b).
  - (b) "Obligations" do not include general obligation bonds.
- (10) "Project" means:
  - (a) any building, structure, or property owned, to be acquired, or used by a charter school for any of its educational purposes and the related appurtenances, easements, rights-of-way, improvements, paving, utilities, landscaping, parking facilities, and lands; or
  - (b) any capital equipment owned, to be acquired, or used by a charter school for any of its educational purposes, interests in land, and grounds, together with the personal property necessary, convenient, or appurtenant to them.
- (11) "Qualifying charter school" means a charter school that:
  - (a) meets standards adopted by the authority for participation in the credit enhancement program; and
  - (b) is designated by the authority as a qualifying charter school for purposes of participation in the credit enhancement program.

(12) "Reserve account" means the Charter School Reserve Account created in Section 53A-20b-301.

Amended by Chapter 201, 2012 General Session

**53A-20b-103 Utah Charter School Finance Authority created -- Members -- Compensation -- Services.**

- (1) There is created a body politic and corporate known as the Utah Charter School Finance Authority. The authority is created to provide an efficient and cost-effective method of financing charter school facilities.
- (2) The governing board of the authority shall be composed of:
  - (a) the governor or the governor's designee;
  - (b) the state treasurer; and
  - (c) the state superintendent of public instruction or the state superintendent's designee.
- (3) A member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:
  - (a) Section 63A-3-106;
  - (b) Section 63A-3-107; and
  - (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107.
- (4) Upon request, the State Board of Education shall provide staff support to the authority.

Amended by Chapter 201, 2012 General Session

**53A-20b-104 Powers and duties of authority.**

- (1) The authority shall have perpetual succession as a body politic and corporate.
- (2) The authority may:
  - (a) sue and be sued in its own name;
  - (b) have, and alter at will, an official seal;
  - (c) contract with experts, advisers, consultants, and agents for needed services;
  - (d) receive and accept aid or contributions from any source, including the United States or this state, in the form of money, property, labor, or other things of value to be held, used, and applied to carry out the purposes of this part, subject to the conditions upon which the aid and contributions are made, for any purpose consistent with this part;
  - (e) exercise the powers granted to municipalities and counties pursuant to Title 11, Chapter 17, Utah Industrial Facilities and Development Act, including the power to borrow money and issue obligations, including refunding obligations, subject to the same limitations as that imposed on a municipality or county under the act, except:
    - (i) the authority may only exercise powers under the act to finance or refinance a project as defined in Section 53A-20b-102; and
    - (ii) the authority's area of operation shall include all areas of the state;
  - (f) employ advisers, consultants, and agents, including financial experts, independent legal counsel, and any advisers, consultants, and agents as may be necessary in its judgment and fix their compensation;
  - (g) make and execute contracts and other instruments necessary or convenient for the performance of its duties and the exercise of its powers and functions;
  - (h) in accordance with Section 53A-20b-201, designate a charter school as a qualifying charter school for purposes of participation in the credit enhancement program; and

- (i) have and exercise any other powers or duties that are necessary or appropriate to carry out and effectuate the purposes of this chapter.
- (3) Except as provided in Part 2, Charter School Credit Enhancement Program, the Utah Charter School Finance Authority may not exercise power in any manner which would create general or moral obligations of the state or of any agency, department, or political subdivision of the state.

Amended by Chapter 201, 2012 General Session

**53A-20b-105 Limited obligations.**

Except as provided in Part 2, Charter School Credit Enhancement Program, bonds, notes, and other obligations issued by the authority:

- (1) do not constitute a debt, moral obligation, or liability of the state, or of any county, city, town, school district, or any other political subdivision of the state;
- (2) do not constitute the loan of credit of the state or of any county, city, town, school district, or any other political subdivision of the state; and
- (3) may not be paid from funds other than loan payments or lease revenues received from a charter school or other funds pledged by a charter school.

Amended by Chapter 201, 2012 General Session

**53A-20b-106 State to succeed to property of authority when encumbrances paid or authority dissolved.**

- (1) If the authority is dissolved at any time, for any reason, all funds, property, rights, and interests of the authority, following the satisfaction of the authority's obligations, shall immediately vest in and become the property of the state, which shall succeed to all rights of the authority subject to any encumbrances which may then exist on any particular properties.
- (2) None of the net earnings of the authority shall inure to the benefit of any private person.

Enacted by Chapter 167, 2007 General Session