



**State of Tennessee**  
**PUBLIC CHAPTER NO. 1097**

**SENATE BILL NO. 3247**

**By Berke**

Substituted for: House Bill No. 3769

By Harry Brooks, McCormick

AN ACT to amend Tennessee Code Annotated, Title 49, Chapter 13, relative to charter schools.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-13-106(b)(1)(A), is amended by deleting the language "October 1" and by substituting instead the language "April 1".

SECTION 2. Tennessee Code Annotated, Section 49-13-107(b), is amended by deleting the language "October 1" and by substituting instead the language "April 1".

SECTION 3. Tennessee Code Annotated, Section 49-13-121(b), is amended by deleting the language "October 1" and by substituting instead the language "April 1".

SECTION 4. Tennessee Code Annotated, Section 49-13-108(a)(1), is amended by deleting the language "sixty (60)" wherever it appears and by substituting instead the language "ninety (90)".

SECTION 5. Tennessee Code Annotated, Section 49-13-108(a)(2), is amended by deleting the language "fifteen (15)" wherever it appears and by substituting instead the language "thirty (30)".

SECTION 6. Tennessee Code Annotated, Section 49-13-108(a), is amended by adding the following language as new subdivision (4):

(4) LEAs may charge applicants an application fee in an amount approved by the local board of education. The application fee shall not exceed five hundred dollars (\$500) per application.

SECTION 7. Tennessee Code Annotated, Section 49-13-107, is amended by adding the following new subsection (c):

(c) LEAs shall require no more than five (5) paper copies of the application in addition to an electronic version of the application.

SECTION 8. Tennessee Code Annotated, Section 49-13-112(b)(3), is amended by designating the existing language as subdivision (A) and by adding the following language as new subdivisions (B) and (C):

(B) If the charter school chooses to contract with the LEA for facilities or services, except for contract services for employee benefits or Tennessee Consolidated Retirement System contributions, then the charter agreement may permit and require that the LEA withhold up to one percent (1%) of funds that are due to the charter school in each year of the first four (4) years of the charter school's operation; provided, however, that such withholding shall not exceed twenty thousand dollars (\$20,000) annually. These funds shall be placed into an account to be held to reimburse LEAs for any monies owed to it by the charter school for payment and for any outstanding debts of the charter school should the charter school close within the first four (4) years of operation. At the beginning of the charter school's fifth year of operation, the LEA shall remit the accumulated funds, including any interest earned, to the charter school. This subdivision (B) shall not apply to charter schools in existence on January 1, 2013, nor to new or expanded charter schools that are sponsored by a sponsor which has operated a charter school in the LEA for more than four (4) years.

(C) Notwithstanding subdivision (B), if the charter agreement includes an agreement with the LEA for services for employee benefits or retirement, then the LEA may withhold funds to cover the costs of those services.

SECTION 9. Sections 1, 2 and 3 of this act shall take effect on January 1, 2013, the public welfare requiring it. All other sections of this act shall take effect July 1, 2012, the public welfare requiring it, and shall apply to sponsors submitting applications after the effective date of this act.

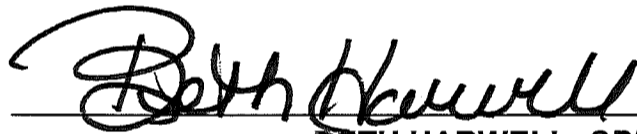
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PASSED: May 1, 2012



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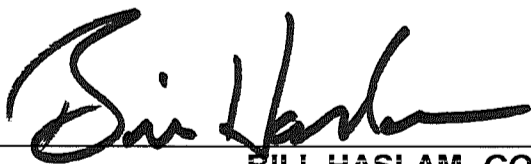
RON RAMSEY  
SPEAKER OF THE SENATE



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BETH HARWELL, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 21<sup>st</sup> day of May 2012



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BILL HASLAM, GOVERNOR