

CHAPTER.....

AN ACT relating to the Account for Charter Schools; transferring the responsibility to administer the Account for Charter Schools from the Department of Education to the State Public Charter School Authority; revising the maximum total amount of a loan that may be made to a charter school; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the Department of Education administers the Account for Charter Schools. (NRS 386.576) Money in the Account is used to make loans to charter schools for certain costs incurred: (1) in preparing a charter school to commence its first year of operation; and (2) to improve a charter school that has been in operation. (NRS 386.577) This bill transfers the responsibility to administer the Account for Charter Schools from the Department to the State Public Charter School Authority and revises the maximum total amount of a loan that may be made to a charter school.

EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 386.576 is hereby amended to read as follows:
386.576 1. The Account for Charter Schools is hereby created in the State General Fund as a revolving loan account, to be administered by the ~~{Department.}~~ ***State Public Charter School Authority.***

2. The money in the Account must be invested as money in other state accounts is invested. All interest and income earned on the money in the Account must be credited to the Account. Any money remaining in the Account at the end of a fiscal year does not revert to the State General Fund, and the balance in the Account must be carried forward.

3. All payments of principal and interest on all the loans made to a charter school from the Account must be deposited with the State Treasurer for credit to the Account.

4. Claims against the Account must be paid as other claims against the State are paid.

5. The ~~{Department.}~~ ***State Public Charter School Authority*** may accept gifts, grants, bequests and donations from any source for deposit in the Account.



Sec. 2. NRS 386.577 is hereby amended to read as follows:

386.577 1. After deducting the costs directly related to administering the Account for Charter Schools, the ~~Department~~ *State Public Charter School Authority* may use the money in the Account for Charter Schools, including repayments of principal and interest on loans made from the Account, and interest and income earned on money in the Account, only to make loans at or below market rate to charter schools for the costs incurred:

(a) In preparing a charter school to commence its first year of operation; and

(b) To improve a charter school that has been in operation.

2. The total amount of a loan that may be made to a charter school ~~in 1 year~~ *pursuant to subsection 1* must not exceed ~~the lesser of an amount equal to \$25,000 or to be enrolled at the charter school or \$200,000.~~

Sec. 3. NRS 386.578 is hereby amended to read as follows:

386.578 1. If the governing body of a charter school has a written charter issued pursuant to NRS 386.527, the governing body may submit an application to the ~~Department~~ *State Public Charter School Authority* for a loan from the Account for Charter Schools. An application must include a written description of the manner in which the loan will be used to prepare the charter school for its first year of operation or to improve a charter school that has been in operation.

2. The ~~Department~~ *State Public Charter School Authority* shall, within the limits of money available for use in the Account, make loans to charter schools whose applications have been approved. If the ~~Department~~ *State Public Charter School Authority* makes a loan from the Account, the ~~Department~~ *State Public Charter School Authority* shall ensure that the contract for the loan includes all terms and conditions for repayment of the loan.

3. The State Board:

(a) Shall adopt regulations that prescribe the:

(1) Annual deadline for submission of an application to the ~~Department~~ *State Public Charter School Authority* by a charter school that desires to receive a loan from the Account; and

(2) Period for repayment and the rate of interest for loans made from the Account.

(b) May adopt such other regulations as it deems necessary to carry out the provisions of this section and NRS 386.576 and 386.577.

Sec. 4. This act becomes effective upon passage and approval.

