

Amendment No. 451

Senate Amendment to Senate Bill No. 384

(BDR 34-687)

Proposed by: Senate Committee on Education**Amends:** Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date	
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____		Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____		Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____		Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold underlining* is newly added transitory language.

MSN/JWP



Date: 4/21/2013

S.B. No. 384—Revises provisions relating to charter schools. (BDR 34-687)



SENATE BILL NO. 384—SENATOR HAMMOND

MARCH 18, 2013

Referred to Committee on Education

SUMMARY—Revises provisions relating to charter schools. (BDR 34-687)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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

AN ACT relating to charter schools; ~~renaming the State Public Charter School Authority the Nevada Public Charter School Authority;~~ authorizing the ~~Authority~~ Director of the Department of Business and Industry to issue bonds, notes and other obligations to finance the acquisition , construction, improvement, restoration or rehabilitation of property, buildings and facilities for charter schools; establishing the procedure for the issuance of such obligations; providing for the payment of the obligations; revising provisions relating to the closure of a charter school and the payment of its debts; authorizing a charter school to incorporate as a nonprofit corporation, borrow money and encumber its assets; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

~~Under existing law, the State Public Charter School Authority, consisting of seven members appointed by the Governor, the Majority Leader of the Senate, the Speaker of the Assembly and the Charter School Association of Nevada, exists primarily to sponsor certain charter schools and oversee their operations. (NRS 286.500, 286.5005, 286.515). This bill changes the name of the State Public Charter School Authority to the Nevada Public Charter School Authority and~~ authorizes ~~the~~ the Director of the Department of Business and Industry to issue bonds and other obligations to finance the acquisition, construction, improvement, ~~maintenance or furnishing~~ restoration or rehabilitation of property, buildings and facilities for charter schools. **Sections 1-22** of this bill enact the Charter School Financing Law and provide for the issuance of such obligations by the ~~Authority~~ Director.

Section 29 of this bill revises provisions governing the closure of a charter school to provide, among other things, for notice of the closure, the development of a plan for closure, an audit and the winding up of the financial affairs of the charter school. **Section 30** of this bill authorizes a charter school to incorporate as a nonprofit corporation. **Section 31** of this bill authorizes a charter school to borrow money and encumber its property and other assets, and to use public money to purchase property with the approval of the charter school's sponsor.

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

Section 1. Chapter 386 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 22, inclusive, of this act.

Sec. 2. *Sections 2 to 22, inclusive, of this act may be cited as the Charter School Financing Law.*

Sec. 3. *As used in sections 2 to 22, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 4 to 8, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 4. *“Bond” or “revenue bond” means any bond, note, security or other evidence of indebtedness ~~+~~ issued pursuant to sections 2 to 22, inclusive, of this act.*

Sec. 4.3. *“Cost of the project” means all or a designated part of the cost of any project, including any incidental cost pertaining to the project. The cost of a project may include, without limitation, the costs of:*

1. Surveys, audits, preliminary plans, other plans, specifications, estimates and other costs of preparations;

2. Appraising, printing, estimating, advice and services of engineers, architects, financial consultants, attorneys, clerical personnel and other agents and employees;

3. Publishing, posting, mailing and otherwise giving notice, filing or recording instruments, taking options and fees to banks;

4. Establishment of a reserve for contingencies;

5. Interest on bonds for any time which does not exceed the estimated period of construction plus 1 year, discounts on bonds, reserves for the payment of the principal of and interest on bonds, replacement expenses and other costs of issuing bonds;

6. Amending any resolution or other instrument authorizing the issuance of, or otherwise relating to, bonds for the project; and

7. Short-term financing and the expense of operation and maintenance of the project.

Sec. 4.5. *“Director of the Department of Business and Industry” means the Director of the Department of Business and Industry or any person within the Department of Business and Industry designated by the Director to perform duties in connection with a project or the issuance of bonds pursuant to sections 2 to 22, inclusive, of this act.*

Sec. 4.7. *“Expense of operation and maintenance” means any reasonable and necessary expense of the State for the operation, maintenance and administration of a project or of the collection and administration of revenues from a project and includes, without limitation:*

1. Expenses for engineering, auditing, reporting, legal services and other expenses of the Director of the Department of Business and Industry which are directly related to the administration of projects.

2. Premiums for fidelity bonds and policies of property and liability insurance pertaining to projects, and shares of the premiums of blanket bonds and policies which may be reasonably allocated to the State.

3. Payments to pension, retirement, health insurance and other insurance funds.

4. Reasonable charges made by any paying agent, commercial bank, credit union, trust company or other depository bank pertaining to bonds issued pursuant to sections 2 to 22, inclusive, of this act.

5. Services rendered under the terms of a contract, services of professionally qualified persons, salaries, administrative expenses and the cost of materials, supplies and labor pertaining to the issuance of any bonds pursuant to sections 2 to 22, inclusive, of this act, including the expenses of any trustee, receiver or other fiduciary.

6. Costs incurred in the collection and any refund of revenues from a project, including the amount of the refund.

7. Fees and costs incurred by the Director of the Department of Business and Industry for ensuring compliance with the provisions of sections 2 to 22, inclusive, of this act.

Sec. 5. "Finance" or "financing" includes, without limitation, the issuance of bonds by the ~~[Nevada Public Charter School Authority]~~ Director of the Department of Business and Industry for the purpose of using all or any part of the proceeds to pay for or to reimburse a user or the designee of a user for the cost of acquiring, improving or equipping the facilities of a project, or to provide money for the project itself, where appropriate, whether these costs are incurred by the ~~user~~ obligor or a designee of the ~~user~~ obligor.

Sec. 5.5. "Financing agreement" means an agreement by which the Director of the Department of Business and Industry agrees to issue bonds pursuant to sections 2 to 22, inclusive, of this act to finance one or more projects and the obligor agrees to:

1. Make payments directly or through notes, debentures, bonds or other secured or unsecured debt obligations of the obligor executed and delivered by the obligor to the Director or his or her designee or assignee, including a trustee, sufficient to pay the principal of, premium, if any, and interest on the bonds;

2. Pay other amounts required by sections 2 to 22, inclusive, of this act; and

3. Comply with all the applicable provisions of sections 2 to 22, inclusive, of this act.

Sec. 6. "Mortgage" means a mortgage, trust deed or other security device.

Sec. 6.5. "Obligor" means a charter school, natural person, partnership, firm, company, corporation, association, trust, estate, political subdivision, state agency or any other legal entity, or its legal representative, agent or assigns, who agrees to make the payments required by a financing agreement.

Sec. 7. "Project" means:

1. Any building, structure or real property owned, to be acquired or used by a charter school for any of its educational purposes and all related appurtenances, easements, rights-of-way, improvements, paving, utilities, landscaping and parking facilities, together with all the personal property necessary, convenient or appurtenant thereto; or

2. Any capital equipment owned, to be acquired or used by a charter school for any of its educational purposes.

Sec. 7.5. "Revenues" includes, with respect to a project, payments under a lease, agreement of sale or financing agreement, or under notes, debentures, bonds and other secured or unsecured debt obligations of an obligor executed and delivered by the obligor to the Director of the Department of Business and Industry or his or her designee or assignee, including a trustee, pursuant to a lease, agreement of sale or financing agreement, or under any guarantee of or insurance with respect to any such lease, agreement of sale or financing agreement.

Sec. 8. ~~["User" means the person who will:~~

~~1. Occupy, operate, maintain and employ the facilities of a project; or~~

~~2. Manage and administer a project,~~

~~after the financing, acquisition or construction of the project.] (Deleted by amendment.)~~

Sec. 8.1. 1. It is the intent of the Legislature to authorize the Director of the Department of Business and Industry to finance facilities or other improvements to be owned, acquired and used by a charter school for any of its educational purposes.

2. The Director of the Department of Business and Industry has all the powers necessary to accomplish the purposes set forth in sections 2 to 22, inclusive, of this act, but these powers must be exercised for the health, safety, convenience, prosperity and welfare of the inhabitants of this State.

3. Sections 2 to 22, inclusive, of this act must be liberally construed in conformity with the purposes set forth in this section.

Sec. 8.3. When the Director of the Department of Business and Industry has received requests from one or more charter schools, lessees, purchasers or other obligors, the Director may issue revenue bonds to obtain money to fulfill the requests. Title to or in a project may at all times remain in the obligor or the obligor's designee or assignee and, in that case, the bonds must be secured by a pledge of one or more notes, debentures, bonds or other secured or unsecured debt obligations of the obligor.

Sec. 8.5. Except as otherwise provided in section 9.9 of this act, the Director of the Department of Business and Industry shall not finance a project unless, before financing the project, the Director finds and the State Board of Finance approves the findings of the Director that:

1. The project consists of any land, building or other improvement, and all real and personal properties necessary in connection therewith, which is suitable for new construction, improvement, restoration or rehabilitation of charter school facilities;

2. The charter school for whose benefit the project is being financed is not in default under the written charter granted by its sponsor, as determined by the sponsor;

3. There are sufficient safeguards to ensure that all money provided by the Director of the Department of Business and Industry will be expended solely for the purposes of the project;

4. There are sufficient safeguards to ensure that the Director of the Department of Business and Industry will have the ability to monitor compliance with the provisions of sections 2 to 22, inclusive, of this act on an ongoing basis with respect to the project;

5. Through the advice of counsel or other reliable source, the project has received all approvals by the local, state and federal governments which may be necessary to proceed with construction, improvement, rehabilitation or redevelopment of the project; and

6. There has been a request by a charter school, lessee, purchaser or other obligor to have the Director of the Department of Business and Industry issue bonds to finance the project.

Sec. 8.7. 1. Except as otherwise provided in section 9.9 of this act, before financing a project pursuant to section 8.5 of this act, the Director of the Department of Business and Industry and the State Board of Finance must:

(a) Determine the total amount of money necessary to be provided by the Director of the Department of Business and Industry for financing the project.

(b) Except as otherwise provided in this subsection, receive a 5-year operating history from the contemplated charter school, lessee, purchaser or other obligor that will make or guarantee the payment of the principal, premium,

if any, and interest on any bond issued. An operating history is not required if the bonds:

(1) Are to be sold only to qualified institutional buyers, as defined in Rule 144A of the Securities and Exchange Commission, 17 C.F.R. § 230.144A, in minimum denominations of at least \$100,000; or

(2) Will receive a rating within one of the top four rating categories of Moody's Investors Service, Inc., Standard and Poor's Rating Services or Fitch IBCA, Inc.

(c) Consider whether the contemplated charter school, lessee, purchaser or other obligor that will make or guarantee the payment of the principal, premium, if any, and interest on any bonds issued has received within the 12 months immediately preceding the date of the findings of the Director of the Department of Business and Industry, or then has or has not in effect, a rating within one of the top four rating categories of Moody's Investors Service, Inc., Standard and Poor's Rating Services or Fitch IBCA, Inc.

(d) Consider the extent to which the project is affected by any federal, state or local governmental action, activity, program or development.

(e) Consider the length of time the charter school, lessee, purchaser or other obligor of the project has maintained facilities appropriate to the community in this State.

2. The Director of the Department of Business and Industry may adopt regulations to set forth additional factors to be considered by the Director and the State Board of Finance before financing a project pursuant to section 8.5 of this act.

Sec. 8.9. 1. The Director of the Department of Business and Industry may provide financing for a project pursuant to sections 2 to 22, inclusive, of this act if:

(a) The financing is limited in amount and purpose to the payment of the costs associated with:

(1) The acquisition, construction, improvement, restoration or rehabilitation of the project; and

(2) The cost of the project;

(b) The Director makes the findings required by section 8.5 of this act; and

(c) The Director complies with the guidelines established by the Director pursuant to subsection 2.

2. The Director of the Department of Business and Industry shall establish guidelines for the provision of financing for a project pursuant to sections 2 to 22, inclusive, of this act.

~~Sec. 9. 1. The Nevada Public Charter School 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) Finance or fund one or more projects, which must be located in this State;~~

~~(e) Issue revenue bonds on behalf of the State of Nevada, including refunding bonds, to defray the cost of financing, acquiring, constructing, reconstructing, improving, maintaining, equipping or furnishing any project, which revenue bonds may be issued in one or more series or issues where considered advisable, and each series or issue may contain different maturity dates, interest rates, priorities on securities available for guaranteeing payment of them, and other differing terms and conditions considered necessary and not in conflict with sections 2 to 22, inclusive, of this act;~~

~~(f) Secure the payment of any such bonds as provided in sections 2 to 22, inclusive, of this act;~~

~~(g) Make and execute contracts and other instruments as necessary or convenient for the performance of its duties and the exercise of its powers and functions; and~~

~~(h) Exercise any other powers or duties that are necessary or appropriate to carry out and effectuate the purposes of sections 2 to 22, inclusive, of this act.~~

~~2. The Nevada Public Charter School Authority shall not exercise any power in any manner which would create general obligations of the State of Nevada or any agency, department or political subdivision of the State. (Deleted by amendment.)~~

Sec. 9.1. 1. All bonds issued by the Director of the Department of Business and Industry pursuant to sections 2 to 22, inclusive, of this act are special, limited obligations of the State. The principal of and interest on such bonds are payable, subject to the security provisions of sections 2 to 22, inclusive, of this act, solely out of the revenues derived from the financing, leasing or sale of the project or projects to be financed by the bonds.

2. The bonds and interest coupons, if any, which are part of those bonds do not constitute the debt or indebtedness of the State or any city or county within the meaning of any provision or limitation of the Constitution of the State of Nevada or statutes, and do not constitute or give rise to a pecuniary liability of the State or a charge against its general credit or taxing powers. This limitation must be plainly stated on the face of each bond.

Sec. 9.3. 1. Any bonds issued pursuant to sections 2 to 22, inclusive, of this act must be authorized by an order of the Director of the Department of Business and Industry and must:

(a) Be in denominations;

(b) Bear the date or dates;

(c) Mature at the time or times, not exceeding 40 years after their respective dates;

(d) Bear interest at a rate or rates;

(e) Be in the form;

(f) Carry the registration privileges;

(g) Be executed in the manner;

(h) Be payable at the place or places within or without the State; and

(i) Be subject to the terms of redemption,

as provided by the order authorizing their issuance.

2. Any bonds issued pursuant to sections 2 to 22, inclusive, of this act may be sold in one or more series at par, or below or above par, in the manner and for the price or prices which the Director of the Department of Business and Industry determines in his or her discretion, and are not required to obtain a credit rating. As an incidental expense to any project to be financed by the bonds, the Director may employ financial and legal consultants in regard to the financing of the project on an ongoing basis.

3. Any bonds issued pursuant to sections 2 to 22, inclusive, of this act are fully negotiable under the terms of the Uniform Commercial Code—Investment Securities.

Sec. 9.5. The principal of, the interest on and any prior redemption premiums due in connection with the bonds issued pursuant to sections 2 to 22, inclusive, of this act are payable from, secured by a pledge of, and constitute a lien on the revenues out of which the bonds have been made payable. In addition, they may, in the discretion of the Director of the Department of Business and Industry, be secured by:

1 1. A mortgage or mortgages covering all or part of any project financed
2 with the proceeds of the bonds, or upon any other property of the lessees,
3 purchasers or obligors of those projects, or by a pledge of the lease, the
4 agreement of sale or the financing agreement with respect to one or more of the
5 projects, or both.

6 2. A pledge of one or more notes, debentures, bonds or other secured or
7 unsecured debt obligations of the obligor of one or more of the projects.

8 3. The proceeds of the bonds and income from investment of the proceeds
9 and of revenues.

10 Sec. 9.7. The Director of the Department of Business and Industry shall
11 adopt regulations to carry out the provisions of sections 2 to 22, inclusive, of this
12 act, including, without limitation, regulations for:

13 1. Investment and reinvestment of the proceeds from the sale of the bonds,
14 including, without limitation:

15 (a) Bonds or other obligations of the United States of America.

16 (b) Bonds or other obligations, the payment of the principal and interest of
17 which is unconditionally guaranteed by the United States of America.

18 (c) Obligations issued or guaranteed as to principal and interest by any
19 agency or person controlled or supervised by and acting as an instrumentality of
20 the United States of America pursuant to authority granted by the Congress of
21 the United States of America.

22 (d) Obligations issued or guaranteed by any state of the United States of
23 America, or any political subdivision of any state.

24 (e) Prime commercial paper.

25 (f) Prime finance company paper.

26 (g) Bankers' acceptances drawn on and accepted by commercial banks.

27 (h) Repurchase agreements fully secured by obligations issued or guaranteed
28 as to principal and interest by the United States of America or by any person
29 controlled or supervised by and acting as an instrumentality of the United States
30 of America pursuant to authority granted by the Congress of the United States of
31 America.

32 (i) Certificates of deposit issued by credit unions or commercial banks,
33 including banks domiciled outside of the United States of America.

34 (j) Money market mutual funds that:

35 (1) Are registered with the Securities and Exchange Commission;

36 (2) Are rated by a nationally recognized rating service as "AAA" or its
37 equivalent; and

38 (3) Invest only in securities issued or guaranteed as to payment of
39 principal and interest by the Federal Government, or its agencies or
40 instrumentalities, or in repurchase agreements that are fully collateralized by
41 such securities.

42 2. Receiving, holding and disbursing of proceeds of the sale of bonds by one
43 or more banks, credit unions or trust companies located within or without this
44 State.

45 Sec. 9.9. 1. Any bonds issued pursuant to sections 2 to 22, inclusive, of
46 this act may be refunded by the Director of the Department of Business and
47 Industry by the issuance of refunding bonds in an amount which the Director
48 determines necessary to refund the principal of the bonds to be so refunded, any
49 unpaid interest thereon and any premiums and incidental expenses necessary to
50 be paid in connection with refunding.

51 2. Refunding may be carried out whether the bonds to be refunded have
52 matured or thereafter mature, either by sale of the refunding bonds and the
53 application of the proceeds to the payment of the bonds to be refunded, or by

exchange of the refunding bonds for the bonds to be refunded. The holders of the bonds to be refunded must not be compelled, without their consent, to surrender their bonds for payment or exchange before the date on which they are payable by maturity, option to redeem or otherwise, or if they are called for redemption before the date on which they are by their terms subject to redemption by option or otherwise.

3. All refunding bonds issued pursuant to this section must be payable solely from revenues and other money out of which the bonds to be refunded thereby are payable or from revenues out of which bonds of the same character may be made payable under this or any other law then in effect at the time of the refunding.

4. The Director of the Department of Business and Industry shall not issue refunding bonds unless, before the refinancing, the Director finds that issuance of refunding bonds will provide a lower cost of financing for the obligor or provide some other public benefit, but the findings, determinations and approval required by section 8.5 of this act are not required with respect to refunding bonds issued pursuant to this section.

~~Sec. 10. 1. Any bonds issued by the Nevada Public Charter School Authority pursuant to sections 2 to 22, inclusive, of this act are special obligations of the Nevada Public Charter School Authority. Bonds and interest coupons issued pursuant to sections 2 to 22, inclusive, of this act are not and do not give rise to a general obligation or liability of the Nevada Public Charter School Authority or a charge against its general credit. This limitation must be plainly stated upon the face of any such bonds.~~

~~2. The bonds described in subsection 1 may be authorized by resolution of the Nevada Public Charter School Authority and may:~~

~~(a) Be executed and delivered at any time and from time to time;~~

~~(b) Be in such form and denominations;~~

~~(c) Be of such tenor;~~

~~(d) Be in registered or bearer form as to principal or interest or both;~~

~~(e) Be payable in such installments and at such times;~~

~~(f) Be payable at such places within or without the State;~~

~~(g) Bear interest at such rates and evidenced in such manner;~~

~~(h) Be redeemable before maturity, with or without premium;~~

~~(i) Be convertible into equity positions in any assets acquired or developed with the proceeds of the sale of the bonds; and~~

~~(j) Contain such other provisions, not inconsistent with sections 2 to 22, inclusive, of this act,~~

~~as is deemed by the Nevada Public Charter School Authority to be for the best interests of the Nevada Public Charter School Authority and provided for in its proceedings pursuant to which the bonds are authorized to be issued.~~

~~3. Any bonds issued pursuant to sections 2 to 22, inclusive, of this act may be sold at public or private sale in such a manner and at such times as determined by the Nevada Public Charter School Authority to be most advantageous, with or without a credit rating.~~

~~4. The bonds of the Nevada Public Charter School Authority must be secured by a pledge of one or more notes, debentures, bonds, other secured or unsecured debt obligations of the user, or such sinking fund or other arrangement as in the judgment of the Nevada Public Charter School Authority is appropriate for the purpose of ensuring payment of the bond obligations to investors in accordance with their terms.~~

~~5. Any bonds issued pursuant to sections 2 to 22, inclusive, of this act and any interest coupons applicable to such bonds are negotiable instruments~~

~~notwithstanding the fact that they are payable solely from a specified source.)~~
(Deleted by amendment.)

Sec. 10.1. 1. Except as otherwise provided in subsection 2, bonds and other securities issued pursuant to sections 2 to 22, inclusive, of this act, their transfer and the income produced by the bonds and other securities is and must forever be and remain free and exempt from taxation by this State or any political subdivision of this State.

2. The provisions of subsection 1 do not apply to the tax on the transfers of taxable estates imposed by chapter 375A of NRS or the tax on generation-skipping transfers imposed by chapter 375B of NRS.

Sec. 10.3. No action may be brought questioning the legality of any contract, lease, agreement, indenture, mortgage, order or bonds executed, adopted or taken in connection with any project or improvements authorized by sections 2 to 22, inclusive, of this act more than 30 days after the effective date of the order of the Director of the Department of Business and Industry authorizing the issuance of those bonds.

Sec. 10.5. The faith of the State is hereby pledged that sections 2 to 22, inclusive, of this act will not be repealed, amended or modified to impair any outstanding bonds or any revenues pledged to their payment, or to impair, limit or alter the rights or powers vested in a charter school to acquire, finance, improve and equip a project in any way that would jeopardize the interest of any lessee, purchaser or other obligor, or to limit or alter the rights or powers vested in the Director of the Department of Business and Industry to perform any agreement made with any lessee, purchaser or other obligor, until all bonds have been discharged in full or provisions for their payment and redemption have been fully made.

Sec. 10.7. 1. Sections 2 to 22, inclusive, of this act, without reference to other statutes of this State, constitute full authority for the exercise of powers granted in those sections, including, without limitation, the authorization and issuance of bonds.

2. No other act or law with regard to the authorization or issuance of bonds that provides for an election, requires an approval, or in any way impedes or restricts the carrying out of the acts authorized by sections 2 to 22, inclusive, of this act, to be done, applies to any proceedings taken or acts done pursuant to those sections, except for laws to which reference is expressly made in those sections or by necessary implication of those sections.

3. The provisions of no other law, either general or local, except as provided in sections 2 to 22, inclusive, of this act, apply to the doing of the things authorized in those sections to be done, and no board, agency, bureau, commission or official not designated in those sections has any authority or jurisdiction over the doing of any of the acts authorized in those sections to be done, except as otherwise provided in those sections.

4. A project is not subject to any requirements relating to public buildings, structures, ground works or improvements imposed by the statutes of this State or any other similar requirements which may be lawfully waived by this section, and any requirement of competitive bidding or other restriction imposed on the procedure for award of contracts for such purpose or the lease, sale or other disposition of property is not applicable to any action taken pursuant to sections 2 to 22, inclusive, of this act, except that the provisions of NRS 338.010 to 338.090, inclusive, apply to any contract for new construction, repair or reconstruction for which tentative approval for financing is granted on or after July 1, 2013, by the Director of the Department of Business and Industry for work to be done on a project.

5. Any bank or trust company located within or without this State may be appointed and act as a trustee with respect to bonds issued and projects financed pursuant to sections 2 to 22, inclusive, of this act without the necessity of associating with any other person or entity as cofiduciary, but such an association is not prohibited.

6. The powers conferred by sections 2 to 22, inclusive, of this act are in addition and supplemental to, and not in substitution for, and the limitations imposed by those sections do not affect, the powers conferred by any other law.

7. No part of sections 2 to 22, inclusive, of this act repeals or affects any other law or part thereof, except to the extent that those sections are inconsistent with any other law, it being intended that those sections provide a separate method of accomplishing its objectives, and not an exclusive one.

8. The Director of the Department of Business and Industry or a person designated by the Director may take any actions and execute and deliver any instruments, contracts, certificates and other documents, including the bonds, necessary or appropriate for the sale and issuance of the bonds or accomplishing the purposes of sections 2 to 22, inclusive, of this act without the assistance or intervention of any other officer.

Sec. 11. ~~[The proceedings of the Nevada Public Charter School Authority under which any bonds are authorized to be issued pursuant to sections 2 to 22, inclusive, of this act may:~~

~~1. If the bonds bear interest at a variable rate, specify the methods, formulas or indices by which the interest rate is to be determined;~~

~~2. Specify:~~

~~(a) The terms and conditions under which any such bonds are issued, sold and delivered;~~

~~(b) The officer or member of the Nevada Public Charter School Authority responsible for issuance, execution and delivery of the bonds;~~

~~(c) The maximum amount of bonds which may be outstanding at any one time;~~

~~(d) The source of payment of the bonds, which may include the proceeds of refunding bonds issued pursuant to sections 2 to 22, inclusive, of this act; and~~

~~(e) Any other details necessary or appropriate for the issuance of bonds not inconsistent with sections 2 to 22, inclusive, of this act; and~~

~~3. Delegate by resolution to one or more members or officers of the Nevada Public Charter School Authority the authority to:~~

~~(a) In accordance with and within the limits set forth in the resolution, approve the final interest rate, price, principal amount, maturity, redemption features and other terms of the bonds; and~~

~~(b) Approve and execute all documents relating to the issuance of the bonds.]~~

(Deleted by amendment.)

Sec. 12. ~~[1. The principal of and interest on any bonds issued by the Nevada Public Charter School Authority:~~

~~(a) Must be secured by a pledge and assignment of the revenues out of which the bonds are made payable or by such other sinking fund or security provision as, in the judgment of the Nevada Public Charter School Authority, is reasonably designed to assure payment of the obligations to the purchasers thereof, except that a purchaser of any such bonds has no recourse against the Nevada Public Charter School Authority's general funds or its general credit;~~

~~(b) May be secured by a mortgage covering all or any part of the project; and~~

~~(c) May be secured by any other security device deemed most advantageous by the Nevada Public Charter School Authority.~~

~~2. The proceedings under which any bonds are authorized to be issued pursuant to sections 2 to 22, inclusive, of this act and any mortgage given to secure them may contain any agreement and provision customarily contained in instruments securing bonds, including, without limitation, provisions relating to:~~

~~(a) The fixing and collection of money for any project covered by the proceedings or mortgages;~~

~~(b) The terms to be incorporated in the lease, installment purchase agreement, rental agreement, mortgage, trust indenture, loan agreement, financing agreement or other agreement for the project;~~

~~(c) The maintenance and insurance of the project;~~

~~(d) The creation and maintenance of one or more special funds from the revenues of the project; and~~

~~(e) The rights and remedies available to the bondholders or to the trustee under a mortgage in the event of a default, which the Nevada Public Charter School Authority deems advisable and which are not in conflict with sections 2 to 22, inclusive, of this act, except that in making any agreements or provisions the Nevada Public Charter School Authority may not obligate itself and may not incur a general obligation or liability or a charge upon its general credit.~~

~~3. The proceedings authorizing any bonds pursuant to sections 2 to 22, inclusive, of this act and any mortgage securing bonds may provide that, in the event of a default in the payment of the principal of or the interest on the bonds or in the performance of any agreement contained in the proceedings or mortgage, payment and performance may be enforced by the appointment of a receiver with power to charge and collect the revenues from the project and to apply the revenues from the project in accordance with the proceedings or the provisions of the mortgage.~~

~~4. Any mortgage made pursuant to sections 2 to 22, inclusive, of this act to secure bonds issued pursuant to those sections may also provide that, in the event of a default in payment or the violation of any agreement contained in the mortgage, the mortgage may be foreclosed or otherwise realized on in any manner permitted by law. The mortgage may also provide that any trustee under the mortgage or the holder of any of the bonds secured by the mortgage may become the purchaser at any foreclosure sale if the mortgagee or holder is the highest bidder. No breach of any agreement imposes any general obligation or liability upon the Nevada Public Charter School Authority or any charge upon its general credit.~~

~~5. Any revenues pledged for the payment of any bonds issued by the Nevada Public Charter School Authority are immediately subject to the lien of each such pledge without any physical delivery thereof, any filing or further act and the lien of each such pledge has priority over all other obligations and liabilities of the Nevada Public Charter School Authority, except as may be otherwise provided in sections 2 to 22, inclusive, of this act or in the proceedings authorizing the bonds, and subject to any pledges and liens previously created. The lien of each such pledge is valid and binding as against all persons having claims of any kind, whether in tort, contract or otherwise, against the Nevada Public Charter School Authority regardless of whether any such persons have notice of the lien.~~

~~(Deleted by amendment.)~~

~~Sec. 13. Any bonds issued and at any time outstanding pursuant to sections 2 to 22, inclusive, of this act may at any time and from time to time be refunded either in advance or by exchange by the Nevada Public Charter School Authority by the issuance of its refunding bonds in such amount as the Nevada Public Charter School Authority deems necessary. Any such refunding may be effected whether the bonds to be refunded have then matured or mature~~

~~thereafter, either by sale of the refunding bonds and the application of the proceeds from the sale to the payment of the bonds to be refunded by such refunding bonds or by exchange of the refunding bonds for the bonds to be refunded by such refunding bonds. Any refunding bonds issued pursuant to sections 2 to 22, inclusive, of this act are subject to the provisions of section 11 of this act and may be secured in accordance with the provisions of section 12 of this act.~~ (Deleted by amendment.)

~~Sec. 14. [The proceeds from the sale of any bonds issued pursuant to sections 2 to 22, inclusive, of this act must be applied only for the purposes for which the bonds are issued, but any accrued interest and premium received upon any such sale must be applied to the payment of the principal of or the interest on the bonds sold, and if for any reason any portion of those proceeds are not needed for the purposes for which the bonds were issued, then the unneeded portion of the proceeds must be applied to the payment of the principal of or the interest on the bonds or in accordance with such other plan or device for the furtherance of the project and the protection of the bondholder as the Nevada Public Charter School Authority deems appropriate under the circumstances.]~~ (Deleted by amendment.)

~~Sec. 15. [The cost of acquiring or improving any project includes:~~
~~1. The actual cost of acquiring or improving real estates;~~
~~2. The actual cost of enlarging, constructing, reconstructing, improving, maintaining, equipping or furnishing all or any part of a project which is constructed, including, without limitation, the fees of architects or engineers; and~~
~~3. All expenses in connection with the authorization, sale and issuance of the bonds to finance the acquisition or improvement, enlargement, construction, reconstruction, improvement, maintenance, equipping or furnishing of a project, including, without limitation, legal fees, the fees of financial advisers, fees for a letter of credit, fees for a line of credit or other liquidity agreement, bank acceptance fees, fees of tender agents, remarketing agents and indexing agents, premiums for bond insurance or insurance of the obligations of users under security agreements, printing costs, underwriters' discounts, reserves to pay principal and interest on the bonds and the interest on bonds for a reasonable time before construction, during construction and for a reasonable period after completion of construction of a project.]~~ (Deleted by amendment.)

~~Sec. 16. [The determination of the Nevada Public Charter School Authority that the limitations of sections 2 to 22, inclusive, of this act imposed upon the issuance of bonds or upon the issuance of other securities pursuant to those sections, including, without limitation, any securities for funding or refunding securities, have been complied with is conclusive in the absence of fraud or arbitrary and gross abuse of discretion.]~~ (Deleted by amendment.)

~~Sec. 17. [1. Except as otherwise provided in subsection 2, bonds and other securities issued pursuant to the provisions of sections 2 to 22, inclusive, of this act, their transfer and the income produced by the bonds and other securities is and must forever be and remain free and exempt from taxation by this State or any political subdivision of this State.~~

~~2. The provisions of subsection 1 do not apply to the tax on the transfers of taxable estates imposed by chapter 375A of NRS or the tax on generation-skipping transfers imposed by chapter 375B of NRS.]~~ (Deleted by amendment.)

~~Sec. 18. [Nothing contained in sections 2 to 22, inclusive, of this act shall be construed as a restriction or limitation upon any lawful powers otherwise possessed by the Nevada Public Charter School Authority.]~~ (Deleted by amendment.)

1 Sec. 19. ~~{1. Any bank, trust company, banker, savings bank or institution,~~
2 ~~savings and loan association, investment company and any other person carrying~~
3 ~~on a banking or investment business, any insurance company, insurance~~
4 ~~association or any other person carrying on an insurance business and any~~
5 ~~executor, administrator, curator, trustee or any other fiduciary, may invest money~~
6 ~~in his, her or its custody in any of the bonds or other securities issued in~~
7 ~~accordance with the provisions of sections 2 to 22, inclusive, of this act.~~

8 ~~2. Nothing contained in this section shall be deemed to relieve any person~~
9 ~~of any duty of exercising reasonable care in selecting securities.}~~ (Deleted by
10 amendment.)

11 Sec. 20. ~~{1. The State of Nevada hereby pledges to and agrees with the~~
12 ~~holders of any bonds issued pursuant to sections 2 to 22, inclusive, of this act,~~
13 ~~and any person who may enter into contracts with the Nevada Public Charter~~
14 ~~School Authority, that the State will not alter, impair or limit the rights vested by~~
15 ~~any such bonds or contracts until the bonds, with applicable interest, are fully~~
16 ~~met and discharged and the contracts are fully performed.~~

17 ~~2. Nothing contained in sections 2 to 22, inclusive, of this act shall be~~
18 ~~deemed to preclude any alteration, impairment or limitation if adequate provision~~
19 ~~is made by law for the protection of the holders of the bonds or persons entering~~
20 ~~into contracts with the Nevada Public Charter School Authority. The Nevada~~
21 ~~Public Charter School Authority may include this pledge and undertaking for the~~
22 ~~State in any such bonds or contracts.}~~ (Deleted by amendment.)

23 Sec. 21. ~~{1. The Nevada Public Charter School Authority shall provide~~
24 ~~for the publication of any resolution or other proceeding adopted by it pursuant~~
25 ~~to sections 2 to 22, inclusive, of this act.~~

26 ~~2. Any such publication must be in a newspaper of general circulation in~~
27 ~~the county in which the project is located and must comply with the provisions of~~
28 ~~NRS 238.010 to 238.080, inclusive.~~

29 ~~3. With respect to any resolution or other proceeding providing for the~~
30 ~~issuance of bonds and authorizing the execution of any agreement in connection~~
31 ~~therewith, the Nevada Public Charter School Authority may, in lieu of publishing~~
32 ~~the entire resolution or other proceeding, publish a notice of bonds to be issued,~~
33 ~~titled as such, containing:~~

34 ~~(a) The name of the Nevada Public Charter School Authority;~~

35 ~~(b) The purpose of the issue;~~

36 ~~(c) The name of the users, if known;~~

37 ~~(d) The maximum principal amount which may be issued;~~

38 ~~(e) The maximum number of years over which the bonds may mature; and~~

39 ~~(f) The times and place at which a copy of the resolution or other proceeding~~
40 ~~may be examined, which must be at an office of the Nevada Public Charter~~
41 ~~School Authority during its regular business hours as described in the notice and~~
42 ~~for a period of not less than 30 days after the publication of the notice.~~

43 ~~4. Any person in interest may contest the legality of the resolution,~~
44 ~~proceeding, any bonds authorized under them or any provisions made for the~~
45 ~~security and payment of the bonds within 30 days after the publication required~~
46 ~~by this section. After the end of that period, no person may contest the regularity,~~
47 ~~formality or legality of the resolution or any agreement authorized thereby, or the~~
48 ~~proceedings, bonds or security provisions for any cause.}~~ (Deleted by
49 amendment.)

50 Sec. 22. ~~{1. Except as otherwise provided in sections 2 to 22, inclusive, of~~
51 ~~this act, no other statute which is applicable to the authorization or issuance of~~
52 ~~bonds or other securities or the exercise of any other power granted pursuant to~~
53 ~~sections 2 to 22, inclusive, of this act and which requires approval or in any way~~

~~impedes or restricts the Nevada Public Charter School Authority in carrying out the acts authorized to be done pursuant to sections 2 to 22, inclusive, of this act is applicable to any proceedings taken or acts done pursuant to the provisions of those sections.~~

~~2. The powers conferred by sections 2 to 22, inclusive, of this act are in addition and supplemental to and not in substitution for any other law, and the limitations imposed by sections 2 to 22, inclusive, of this act do not affect the powers conferred by any other law.~~

~~3. Nothing contained in sections 2 to 22, inclusive, of this act shall be construed to prevent the exercise of any power granted to the Nevada Public Charter School Authority, acting by and through any of its officers, agents or employees, or otherwise by any law.~~

~~4. No part of sections 2 to 22, inclusive, of this act repeals or affects any other law or part thereof, and sections 2 to 22, inclusive, of this act shall not be construed as repealing or amending any such other law.~~ (Deleted by amendment.)

Sec. 23. NRS 386.490 is hereby amended to read as follows:

386.490 As used in NRS 386.490 to 386.610, inclusive, and sections 2 to 22, inclusive, of this act, the words and terms defined in NRS 386.495, 386.500 and 386.503 have the meanings ascribed to them in those sections.

Sec. 24. ~~[NRS 386.495 is hereby amended to read as follows:~~

~~386.495 "Director" means the Director of the [State] Nevada Public Charter School Authority appointed pursuant to NRS 386.511.]~~ (Deleted by amendment.)

Sec. 25. ~~[NRS 386.503 is hereby amended to read as follows:~~

~~386.503 "[State] "Nevada Public Charter School Authority" means the [State] Nevada Public Charter School Authority created by NRS 386.509.]~~ (Deleted by amendment.)

Sec. 26. ~~[NRS 386.509 is hereby amended to read as follows:~~

~~386.509 The [State] Nevada Public Charter School Authority is hereby created [-] as a body politic and corporate. The purpose of the [State] Nevada Public Charter School Authority is to:~~

~~1. Authorize charter schools of high quality throughout this State with the goal of expanding the opportunities for pupils in this State, including, without limitation, pupils who are at risk.~~

~~2. Provide oversight to the charter schools that it sponsors to ensure that those charter schools maintain high educational and operational standards, preserve autonomy and safeguard the interests of pupils and the community.~~

~~3. Serve as a model of the best practices in sponsoring charter schools and foster a climate in this State in which all charter schools, regardless of sponsor, can flourish.~~

~~4. Exercise the powers granted to it by NRS 386.490 to 386.610, inclusive, and sections 2 to 22, inclusive, of this act, including the power to borrow money and issue obligations, including refunding obligations.]~~ (Deleted by amendment.)

Sec. 27. ~~[NRS 386.5095 is hereby amended to read as follows:~~

~~386.5095 1. The [State] Nevada Public Charter School Authority consists of seven members. The membership of the [State] Nevada Public Charter School Authority consists of:~~

~~(a) Two members appointed by the Governor in accordance with subsection 2;~~

~~(b) Two members, who must not be Legislators, appointed by the Majority Leader of the Senate in accordance with subsection 2;~~

~~(c) Two members, who must not be Legislators, appointed by the Speaker of the Assembly in accordance with subsection 2; and~~

~~(d) One member appointed by the Charter School Association of Nevada or its successor organization.~~

~~2. The Governor, the Majority Leader of the Senate and the Speaker of the Assembly shall ensure that the membership of the [State] Nevada Public Charter School Authority:~~

~~(a) Includes persons with a demonstrated understanding of charter schools and a commitment to using charter schools as a way to strengthen public education in this State;~~

~~(b) Includes a parent or legal guardian of a pupil enrolled in a charter school in this State;~~

~~(c) Includes persons with specific knowledge of:~~

~~(1) Issues relating to elementary and secondary education;~~

~~(2) School finance or accounting, or both;~~

~~(3) Management practices;~~

~~(4) Assessments required in elementary and secondary education;~~

~~(5) Educational technology; and~~

~~(6) The laws and regulations applicable to charter schools; and~~

~~(d) Insofar as practicable, reflects the ethnic and geographical diversity of this State.~~

~~3. Each member of the [State] Nevada Public Charter School Authority must be a resident of this State.~~

~~4. After the initial terms, the term of each member of the [State] Nevada Public Charter School Authority is 3 years, commencing on July 1 of the year in which he or she is appointed. A vacancy in the membership of the [State] Nevada Public Charter School Authority must be filled for the remainder of the unexpired term in the same manner as the original appointment. A member shall continue to serve on the [State] Nevada Public Charter School Authority until his or her successor is appointed.~~

~~5. The members of the [State] Nevada Public Charter School Authority shall select a Chair and Vice Chair from among its members. After the initial selection of those officers, each of those officers holds the position for a term of 2 years commencing on July 1 of each odd numbered year. If a vacancy occurs in the Chair or Vice Chair, the vacancy must be filled in the same manner as the original selection for the remainder of the unexpired term.~~

~~6. Each member of the [State] Nevada Public Charter School Authority is entitled to receive:~~

~~(a) For each day or portion of a day during which he or she attends a meeting of the [State] Nevada Public Charter School Authority a salary of not more than \$80, as fixed by the [State] Nevada Public Charter School Authority; and~~

~~(b) For each day or portion of a day during which he or she attends a meeting of the [State] Nevada Public Charter School Authority or is otherwise engaged in the business of the [State] Nevada Public Charter School Authority the per diem allowance and travel expenses provided for state officers and employees generally.~~

~~7. If the Nevada Public Charter School Authority is dissolved for any reason, all money, property, rights and interests of the Nevada Public Charter School Authority, after the satisfaction of its obligations, immediately vest in and become the property of the State of Nevada, which succeeds to all rights of the Nevada Public Charter School Authority subject to any encumbrances which then exist on any of its properties or other assets.~~

~~8. None of the net earnings of the Nevada Public Charter School Authority inure to the benefit of any private person.] (Deleted by amendment.)~~

1 **Sec. 28.** NRS 386.5125 is hereby amended to read as follows:

2 386.5125 The ~~State~~ ~~Nevada~~ Public Charter School Authority may employ
3 such persons as it deems necessary to carry out the provisions of NRS 386.490 to
4 386.610, inclusive ~~§ , and sections 2 to 22, inclusive, of this act.~~ The staff
5 employed by the ~~State~~ ~~Nevada~~ Public Charter School Authority must be qualified
6 to carry out the daily responsibilities of sponsoring charter schools ~~and the~~
7 ~~responsibilities of providing for the financing of charter school facilities~~ in
8 accordance with the provisions of NRS 386.490 to 386.610, inclusive ~~§ , and~~
9 ~~sections 2 to 22, inclusive, of this act.~~

10 **Sec. 29.** NRS 386.536 is hereby amended to read as follows:

11 386.536 1. ~~Except as otherwise provided in subsections 2 and 3, if~~ If a
12 charter school ceases to operate voluntarily or upon revocation of its written
13 charter, the governing body of the charter school shall ~~appoint~~ :

14 (a) Give written notice of the closure to:

15 (1) The sponsor of the charter school, unless the closure results from the
16 revocation of the written charter;

17 (2) The ~~Nevada Public Charter School Authority, unless the Nevada~~
18 ~~Public Charter School Authority is the sponsor of the charter school and the~~
19 ~~closure results from the revocation of the written charter;~~ Director of the
20 Department of Business and Industry;

21 (3) The board of trustees of the school district in which the charter
22 school is located, unless the board of trustees is the sponsor of the charter school
23 and the closure results from the revocation of the written charter;

24 (4) The Department;

25 (5) The parents or legal guardians of the pupils enrolled in the charter
26 school; and

27 (6) The creditors of the charter school;

28 (b) Except as otherwise provided in subsections 4 and 5, appoint an
29 administrator of the charter school, subject to the approval of the sponsor of the
30 charter school, to act as a trustee during the process of the closure of the charter
31 school and for 1 year after the date of closure ~~§ ;~~ ;

32 (c) As soon as practicable, develop and present to the sponsor of the charter
33 school a written plan for the closure of the charter school;

34 (d) Maintain an office at the charter school or elsewhere, with regular hours
35 of operation and voice messaging stating the hours of operation;

36 (e) Maintain existing insurance coverage in force for the period required by
37 the sponsor of the charter school;

38 (f) Conduct a financial audit and an inventory of all the assets of the charter
39 school and cause a written report of the audit and inventory to be prepared for
40 the sponsor of the charter school and the Department;

41 (g) Prepare a written list of the creditors of the charter school, identifying
42 secured creditors and the assets in which those creditors have a security interest;

43 (h) Supply any information or documents required by the sponsor of the
44 charter school; and

45 (i) Protect all the assets of the charter school from theft, misappropriation,
46 deterioration or other loss.

47 2. The notice of the closure required by subsection 1 must include:

48 (a) The date of closure;

49 (b) A statement of the plan of the charter school to assist pupils to identify
50 and transfer to another school; and

51 (c) The telephone number, mailing address and physical address of the office
52 required by subsection 1.

3. The administrator *appointed pursuant to subsection 1 shall carry out the duties prescribed for the governing body of the charter school by paragraphs (c) to (i), inclusive, of subsection 1 if the governing body ceases to exist or is otherwise unable to perform those duties and* shall assume the responsibility for the records of the:

- (a) Charter school;
- (b) Employees of the charter school; and
- (c) Pupils enrolled in the charter school.

~~4.~~ 4. If an administrator for the charter school is no longer available to carry out the duties set forth in subsection ~~3~~ 3, the governing body of the charter school shall appoint a qualified person to assume those duties.

~~5.~~ 5. If the governing body of the charter school ceases to exist or is otherwise unable to appoint an administrator pursuant to subsection 1 or a qualified person pursuant to subsection ~~4~~ 4, the sponsor of the charter school shall appoint an administrator or a qualified person to carry out the duties set forth in subsection ~~3~~ 3.

~~6.~~ 6. *In addition to performing the duties set forth in subsection 3, the administrator appointed by the governing body of the charter school or the sponsor, or the qualified person appointed to carry out the duties of the administrator, shall:*

(a) Cause to be paid and discharged all the liabilities and obligations of the charter school to the extent of the charter school's assets;

(b) Terminate any lease, service agreement or any other contract of the charter school that is not necessary to complete the closure of the charter school;

(c) Supply any information or documents required by the sponsor of the charter school; and

(d) After the financial affairs of the charter school have been wound up and the closure of the charter school has otherwise been completed, cause a financial audit to be prepared and cause a written report of the audit to be prepared for the sponsor of the charter school and the Department.

7. The governing body of the charter school or the sponsor of the charter school may, to the extent practicable, provide financial compensation to the administrator or person appointed to carry out the provisions of this section. If the sponsor of the charter school provides such financial compensation, the sponsor is entitled to receive reimbursement from the charter school for the costs incurred by the sponsor in providing the financial compensation. Such reimbursement must not exceed costs incurred for a period longer than 6 months.

Sec. 30. NRS 386.553 is hereby amended to read as follows:

386.553 A charter school ~~shall~~ :

1. *Shall* not operate for profit.

2. *May be incorporated as a nonprofit corporation pursuant to the provisions of chapter 82 of NRS.*

Sec. 31. NRS 386.560 is hereby amended to read as follows:

386.560 1. The governing body of a charter school may contract with the board of trustees of the school district in which the charter school is located or in which a pupil enrolled in the charter school resides or with the Nevada System of Higher Education for the provision of facilities to operate the charter school or to perform any service relating to the operation of the charter school, including, without limitation, transportation, the provision of health services for the pupils who are enrolled in the charter school and the provision of school police officers. If the board of trustees of a school district or a college or university within the Nevada System of Higher Education is the sponsor of the charter school, the governing

body and the sponsor must enter into a service agreement pursuant to NRS 386.561 before the provision of such services.

2. A charter school may use any public facility located within the school district in which the charter school is located. A charter school may use school buildings owned by the school district only upon approval of the board of trustees of the school district and during times that are not regular school hours.

3. The board of trustees of a school district may donate surplus personal property of the school district to a charter school that is located within the school district.

4. *A charter school may:*

(a) *Acquire by construction, purchase, devise, gift, exchange or lease, or any combination of those methods, and construct, reconstruct, improve, maintain, equip and furnish any building, structure or property to be used for any of its educational purposes and the related appurtenances, easements, rights-of-way, improvements, paving, utilities, landscaping, parking facilities and lands;*

(b) *Mortgage, pledge or otherwise encumber all or any part of its property or assets;*

(c) *Borrow money and otherwise incur indebtedness; and*

(d) *Use public money to purchase real property or buildings with the approval of the sponsor.*

5. Except as otherwise provided in this subsection, upon the request of a parent or legal guardian of a pupil who is enrolled in a charter school, the board of trustees of the school district in which the pupil resides shall authorize the pupil to participate in a class that is not available to the pupil at the charter school or participate in an extracurricular activity, excluding sports, at a public school within the school district if:

(a) Space for the pupil in the class or extracurricular activity is available; and

(b) The parent or legal guardian demonstrates to the satisfaction of the board of trustees that the pupil is qualified to participate in the class or extracurricular activity.

➤ If the board of trustees of a school district authorizes a pupil to participate in a class or extracurricular activity, excluding sports, pursuant to this subsection, the board of trustees is not required to provide transportation for the pupil to attend the class or activity. The provisions of this subsection do not apply to a pupil who is enrolled in a charter school and who desires to participate on a part-time basis in a program of distance education provided by the board of trustees of a school district pursuant to NRS 388.820 to 388.874, inclusive. Such a pupil must comply with NRS 388.858.

~~5-1~~ 6. Upon the request of a parent or legal guardian of a pupil who is enrolled in a charter school, the board of trustees of the school district in which the pupil resides shall authorize the pupil to participate in sports at the public school that he or she would otherwise be required to attend within the school district, or upon approval of the board of trustees, any public school within the same zone of attendance as the charter school if:

(a) Space is available for the pupil to participate; and

(b) The parent or legal guardian demonstrates to the satisfaction of the board of trustees that the pupil is qualified to participate.

➤ If the board of trustees of a school district authorizes a pupil to participate in sports pursuant to this subsection, the board of trustees is not required to provide transportation for the pupil to participate.

~~6-1~~ 7. The board of trustees of a school district may revoke its approval for a pupil to participate in a class, extracurricular activity or sports at a public school pursuant to subsections ~~4 and 5~~ 5 and 6 if the board of trustees or the public school

determines that the pupil has failed to comply with applicable statutes, or applicable rules and regulations of the board of trustees, the public school or the Nevada Interscholastic Activities Association. If the board of trustees so revokes its approval, neither the board of trustees nor the public school is liable for any damages relating to the denial of services to the pupil.

Sec. 32. NRS 386.562 is hereby amended to read as follows:

386.562 1. A contract or a proposed contract between a charter school or a proposed charter school and a contractor or an educational management organization must not:

(a) Give to the contractor or educational management organization direct control of educational services, financial decisions, the appointment of members of the governing body, or the hiring and dismissal of an administrator or financial officer of the charter school or proposed charter school;

(b) Authorize the payment of loans, advances or other monetary charges from the contractor or educational management organization which are greater than 15 percent of the total expected funding received by the charter school or proposed charter school from the State Distributive School Account;

(c) Require the charter school or proposed charter school to prepay any fees to the contractor or educational management organization;

(d) Require the charter school or proposed charter school to pay the contractor or educational management organization before the payment of other obligations of the charter school or proposed charter school during a period of financial distress;

(e) Allow a contractor or educational management organization to cause a delay in the repayment of a loan or other money advanced by the contractor or educational management organization to the charter school or proposed charter school, which delay would increase the cost to the charter school or proposed charter school of repaying the loan or advance;

(f) Require the charter school or proposed charter school to enroll a minimum number of pupils for the continuation of the contract between the charter school or proposed charter school and the contractor or educational management organization;

(g) Require the charter school or proposed charter school to request or borrow money from this State to pay the contractor or educational management organization if the contractor or educational management organization will provide financial management to the charter school or proposed charter school;

(h) Contain a provision which restricts the ability of the charter school or proposed charter school to borrow money from a person or entity other than the contractor or educational management organization;

(i) Provide for the allocation to the charter school or proposed charter school of any indirect cost incurred by the contractor or educational management organization;

(j) Authorize the payment of fees to the contractor or educational management organization which are not attributable to the actual services provided by the contractor or educational management organization;

(k) Allow any money received by the charter school or proposed charter school from this State or from the board of trustees of a school district to be transferred to or deposited in a bank, credit union or other financial institution outside this State, including money controlled by the contractor or educational management organization; or

(l) Except as otherwise provided in this paragraph, provide incentive fees to the contractor or educational management organization. A contract or a proposed contract may provide to the contractor or educational management organization

incentive fees that are based on the academic improvement of pupils enrolled in the charter school.

2. As used in this section, “*contractor*” or “educational management organization” means a corporation, business, organization or other entity, whether or not conducted for profit, with whom a committee to form a charter school or the governing body of a charter school, as applicable, contracts to assist with the operation, management or provision and implementation of educational services and programs of the charter school or proposed charter school. The term includes a corporation, business, organization or other entity that directly employs and provides personnel to a charter school or proposed charter school.

Sec. 33. NRS 386.570 is hereby amended to read as follows:

386.570 1. Each pupil who is enrolled in a charter school, including, without limitation, a pupil who is enrolled in a program of special education in a charter school, must be included in the count of pupils in the school district for the purposes of apportionments and allowances from the State Distributive School Account pursuant to NRS 387.121 to 387.126, inclusive, unless the pupil is exempt from compulsory attendance pursuant to NRS 392.070. A charter school is entitled to receive its proportionate share of any other money available from federal, state or local sources that the school or the pupils who are enrolled in the school are eligible to receive. If a charter school receives special education program units directly from this State, the amount of money for special education that the school district pays to the charter school may be reduced proportionately by the amount of money the charter school received from this State for that purpose. The State Board shall prescribe a process which ensures that all charter schools, regardless of the sponsor, have information about all sources of funding for the public schools provided through the Department, including local funds pursuant to NRS 387.1235.

2. All money received by the charter school from this State or from the board of trustees of a school district must be deposited in an account with a bank, credit union or other financial institution in this State. The governing body of a charter school may negotiate with the board of trustees of the school district and the State Board for additional money to pay for services which the governing body wishes to offer.

3. Upon completion of each school quarter, the Superintendent of Public Instruction shall pay to the sponsor of a charter school one-quarter of the yearly sponsorship fee for the administrative costs associated with sponsorship for that school quarter, which must be deducted from the quarterly apportionment to the charter school made pursuant to NRS 387.124. Except as otherwise provided in subsection 4, the yearly sponsorship fee for the sponsor of a charter school must be in an amount of money not to exceed 2 percent of the total amount of money apportioned to the charter school during the school year pursuant to NRS 387.124.

4. If the governing body of a charter school satisfies the requirements of this subsection, the governing body may submit a request to the sponsor of the charter school for approval of a sponsorship fee in an amount that is less than 2 percent but at least 1 percent of the total amount of money apportioned to the charter school during the school year pursuant to NRS 387.124. The sponsor of the charter school shall approve such a request if the sponsor of the charter school determines that the charter school satisfies the requirements of this subsection. If the sponsor of the charter school approves such a request, the sponsor shall provide notice of the decision to the governing body of the charter school and the Superintendent of Public Instruction. If the sponsor of the charter school denies such a request, the governing body of the charter school may appeal the decision of the sponsor to the Superintendent of Public Instruction. Upon appeal, the sponsor of the charter school and the governing body of the charter school are entitled to present evidence. The

1 decision of the Superintendent of Public Instruction on the appeal is final and is not
2 subject to judicial review. The governing body of a charter school may submit a
3 request for a reduction of the sponsorship fee pursuant to this subsection if:

4 (a) The charter school satisfies the requirements of subsection 1 of NRS
5 386.5515; and

6 (b) There has been a decrease in the duties of the sponsor of the charter school
7 that justifies a decrease in the sponsorship fee.

8 5. To determine the amount of money for distribution to a charter school in its
9 first year of operation, the count of pupils who are enrolled in the charter school
10 must initially be determined 30 days before the beginning of the school year of the
11 school district, based on the number of pupils whose applications for enrollment
12 have been approved by the charter school. The count of pupils who are enrolled in
13 the charter school must be revised on the last day of the first school month of the
14 school district in which the charter school is located for the school year, based on
15 the actual number of pupils who are enrolled in the charter school. Pursuant to
16 subsection 5 of NRS 387.124, the governing body of a charter school may request
17 that the apportionments made to the charter school in its first year of operation be
18 paid to the charter school 30 days before the apportionments are otherwise required
19 to be made.

20 6. If a charter school ceases to operate as a charter school during a school
21 year, the remaining apportionments that would have been made to the charter
22 school pursuant to NRS 387.124 for that year must be paid on a proportionate basis
23 to the school districts where the pupils who were enrolled in the charter school
24 reside.

25 7. The governing body of a charter school may solicit and accept donations,
26 money, grants, property, loans, personal services or other assistance for purposes
27 relating to education from members of the general public, corporations or agencies.
28 The governing body may comply with applicable federal laws and regulations
29 governing the provision of federal grants for charter schools. The ~~State~~ Nevada
30 Public Charter School Authority may assist a charter school that operates
31 exclusively for the enrollment of pupils who receive special education in
32 identifying sources of money that may be available from the Federal Government
33 or this State for the provision of educational programs and services to such pupils.

34 ~~18. If a charter school uses money received from this State to purchase real
35 property, buildings, equipment or facilities, the governing body of the charter
36 school shall assign a security interest in the property, buildings, equipment and
37 facilities to the State of Nevada.~~

38 **Sec. 34.** NRS 386.575 is hereby amended to read as follows:

39 386.575 1. If a charter school files a voluntary petition of bankruptcy or is
40 declared bankrupt during a school year, ~~the governing body of the charter school
41 shall make an assignment of all~~ any real property ~~and~~ or other property ~~of the
42 charter school to the State of Nevada for the repayment of all money received~~ held
43 by the charter school from this state for the operation of the charter school during
44 that year. The governing body shall make full settlement with this state for such
45 repayment, and the State may take any lawful action necessary to recover the
46 money. must be disposed of as provided in NRS 386.536.

47 2. If a charter school files a voluntary petition of bankruptcy or is declared
48 bankrupt during a school year, neither the State of Nevada nor the sponsor of the
49 charter school may be held liable for any claims resulting from the bankruptcy.

50 **Sec. 35.** NRS 387.123 is hereby amended to read as follows:

51 387.123 1. The count of pupils for apportionment purposes includes all
52 pupils who are enrolled in programs of instruction of the school district, including,
53 without limitation, a program of distance education provided by the school district,

pupils who reside in the county in which the school district is located and are enrolled in any charter school, including, without limitation, a program of distance education provided by a charter school, and pupils who are enrolled in a university school for profoundly gifted pupils located in the county, for:

- (a) Pupils in the kindergarten department.
- (b) Pupils in grades 1 to 12, inclusive.
- (c) Pupils not included under paragraph (a) or (b) who are receiving special education pursuant to the provisions of NRS 388.440 to 388.520, inclusive.
- (d) Pupils who reside in the county and are enrolled part-time in a program of distance education provided pursuant to NRS 388.820 to 388.874, inclusive.
- (e) Children detained in facilities for the detention of children, alternative programs and juvenile forestry camps receiving instruction pursuant to the provisions of NRS 388.550, 388.560 and 388.570.
- (f) Pupils who are enrolled in classes pursuant to subsection ~~44~~ 5 of NRS 386.560 and pupils who are enrolled in classes pursuant to subsection 5 of NRS 386.580.
- (g) Pupils who are enrolled in classes pursuant to subsection 3 of NRS 392.070.
- (h) Pupils who are enrolled in classes and taking courses necessary to receive a high school diploma, excluding those pupils who are included in paragraphs (d), (f) and (g).

2. The State Board shall establish uniform regulations for counting enrollment and calculating the average daily attendance of pupils. In establishing such regulations for the public schools, the State Board:

- (a) Shall divide the school year into 10 school months, each containing 20 or fewer school days, or its equivalent for those public schools operating under an alternative schedule authorized pursuant to NRS 388.090.
- (b) May divide the pupils in grades 1 to 12, inclusive, into categories composed respectively of those enrolled in elementary schools and those enrolled in secondary schools.
- (c) Shall prohibit the counting of any pupil specified in subsection 1 more than once.

3. Except as otherwise provided in subsection 4 and NRS 388.700, the State Board shall establish by regulation the maximum pupil-teacher ratio in each grade, and for each subject matter wherever different subjects are taught in separate classes, for each school district of this State which is consistent with:

- (a) The maintenance of an acceptable standard of instruction;
- (b) The conditions prevailing in the school district with respect to the number and distribution of pupils in each grade; and
- (c) Methods of instruction used, which may include educational television, team teaching or new teaching systems or techniques.

➤ If the Superintendent of Public Instruction finds that any school district is maintaining one or more classes whose pupil-teacher ratio exceeds the applicable maximum, and unless the Superintendent finds that the board of trustees of the school district has made every reasonable effort in good faith to comply with the applicable standard, the Superintendent shall, with the approval of the State Board, reduce the count of pupils for apportionment purposes by the percentage which the number of pupils attending those classes is of the total number of pupils in the district, and the State Board may direct the Superintendent to withhold the quarterly apportionment entirely.

4. The provisions of subsection 3 do not apply to a charter school, a university school for profoundly gifted pupils or a program of distance education provided pursuant to NRS 388.820 to 388.874, inclusive.

1 **Sec. 36.** NRS 387.1233 is hereby amended to read as follows:

2 387.1233 1. Except as otherwise provided in subsection 2, basic support of
3 each school district must be computed by:

4 (a) Multiplying the basic support guarantee per pupil established for that
5 school district for that school year by the sum of:

6 (1) Six-tenths the count of pupils enrolled in the kindergarten department
7 on the last day of the first school month of the school district for the school year,
8 including, without limitation, the count of pupils who reside in the county and are
9 enrolled in any charter school on the last day of the first school month of the school
10 district for the school year.

11 (2) The count of pupils enrolled in grades 1 to 12, inclusive, on the last day
12 of the first school month of the school district for the school year, including,
13 without limitation, the count of pupils who reside in the county and are enrolled in
14 any charter school on the last day of the first school month of the school district for
15 the school year and the count of pupils who are enrolled in a university school for
16 profoundly gifted pupils located in the county.

17 (3) The count of pupils not included under subparagraph (1) or (2) who are
18 enrolled full-time in a program of distance education provided by that school
19 district or a charter school located within that school district on the last day of the
20 first school month of the school district for the school year.

21 (4) The count of pupils who reside in the county and are enrolled:

22 (I) In a public school of the school district and are concurrently
23 enrolled part-time in a program of distance education provided by another school
24 district or a charter school on the last day of the first school month of the school
25 district for the school year, expressed as a percentage of the total time services are
26 provided to those pupils per school day in proportion to the total time services are
27 provided during a school day to pupils who are counted pursuant to subparagraph
28 (2).

29 (II) In a charter school and are concurrently enrolled part-time in a
30 program of distance education provided by a school district or another charter
31 school on the last day of the first school month of the school district for the school
32 year, expressed as a percentage of the total time services are provided to those
33 pupils per school day in proportion to the total time services are provided during a
34 school day to pupils who are counted pursuant to subparagraph (2).

35 (5) The count of pupils not included under subparagraph (1), (2), (3) or (4),
36 who are receiving special education pursuant to the provisions of NRS 388.440 to
37 388.520, inclusive, on the last day of the first school month of the school district for
38 the school year, excluding the count of pupils who have not attained the age of 5
39 years and who are receiving special education pursuant to subsection 1 of NRS
40 388.475 on that day.

41 (6) Six-tenths the count of pupils who have not attained the age of 5 years
42 and who are receiving special education pursuant to subsection 1 of NRS 388.475
43 on the last day of the first school month of the school district for the school year.

44 (7) The count of children detained in facilities for the detention of children,
45 alternative programs and juvenile forestry camps receiving instruction pursuant to
46 the provisions of NRS 388.550, 388.560 and 388.570 on the last day of the first
47 school month of the school district for the school year.

48 (8) The count of pupils who are enrolled in classes for at least one semester
49 pursuant to subsection ~~44~~ 5 of NRS 386.560, subsection 5 of NRS 386.580 or
50 subsection 3 of NRS 392.070, expressed as a percentage of the total time services
51 are provided to those pupils per school day in proportion to the total time services
52 are provided during a school day to pupils who are counted pursuant to
53 subparagraph (2).

(b) Multiplying the number of special education program units maintained and operated by the amount per program established for that school year.

(c) Adding the amounts computed in paragraphs (a) and (b).

2. Except as otherwise provided in subsection 4, if the enrollment of pupils in a school district or a charter school that is located within the school district on the last day of the first school month of the school district for the school year is less than or equal to 95 percent of the enrollment of pupils in the same school district or charter school on the last day of the first school month of the school district for the immediately preceding school year, the largest number from among the immediately preceding 2 school years must be used for purposes of apportioning money from the State Distributive School Account to that school district or charter school pursuant to NRS 387.124.

3. Except as otherwise provided in subsection 4, if the enrollment of pupils in a school district or a charter school that is located within the school district on the last day of the first school month of the school district for the school year is more than 95 percent of the enrollment of pupils in the same school district or charter school on the last day of the first school month of the school district for the immediately preceding school year, the larger enrollment number from the current year or the immediately preceding school year must be used for purposes of apportioning money from the State Distributive School Account to that school district or charter school pursuant to NRS 387.124.

4. If the Department determines that a school district or charter school deliberately causes a decline in the enrollment of pupils in the school district or charter school to receive a higher apportionment pursuant to subsection 2 or 3, including, without limitation, by eliminating grades or moving into smaller facilities, the enrollment number from the current school year must be used for purposes of apportioning money from the State Distributive School Account to that school district or charter school pursuant to NRS 387.124.

5. Pupils who are excused from attendance at examinations or have completed their work in accordance with the rules of the board of trustees must be credited with attendance during that period.

6. Pupils who are incarcerated in a facility or institution operated by the Department of Corrections must not be counted for the purpose of computing basic support pursuant to this section. The average daily attendance for such pupils must be reported to the Department of Education.

7. Pupils who are enrolled in courses which are approved by the Department as meeting the requirements for an adult to earn a high school diploma must not be counted for the purpose of computing basic support pursuant to this section.

~~Sec. 37. [The Legislative Counsel shall, in preparing supplements to the Nevada Administrative Code, appropriately change any references to an officer, agency or other entity whose name is changed or whose responsibilities are transferred pursuant to the provisions of this act to refer to the appropriate officer, agency or other entity.] (Deleted by amendment.)~~

Sec. 38. This act becomes effective on July 1, 2013.