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Charter School Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Candice B. Pierucci

Senate Sponsor:

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LONG TITLE

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General Description:

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This bill modifies provisions related to charter schools, including property disposition,
governance requirements, and the Charter School Revolving Fund.

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Highlighted Provisions:

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This bill:

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- gives charter schools the first option to purchase decommissioned school property;

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- establishes restrictions on charter school resale of acquired property;

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- requires charter school governing board members to take an oath of office;

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- clarifies that charter schools are public schools;

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- replaces the Charter School Revolving Account with the Charter School Revolving Fund;

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and

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- makes technical changes.

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Money Appropriated in this Bill:

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None

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Other Special Clauses:

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None

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Utah Code Sections Affected:

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AMENDS:

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53F-9-203, as last amended by Laws of Utah 2024, Chapter 507

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53G-4-902, as last amended by Laws of Utah 2025, Chapter 391

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53G-5-104, as last amended by Laws of Utah 2024, Chapter 63

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53G-5-401, as last amended by Laws of Utah 2024, Chapter 63

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ENACTS:

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53F-9-203.1, Utah Code Annotated 1953

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53G-4-904, Utah Code Annotated 1953

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53G-5-406.5, Utah Code Annotated 1953

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31 *Be it enacted by the Legislature of the state of Utah:*

32 Section 1. Section **53F-9-203** is amended to read:

33 **53F-9-203 . Charter School Revolving Account.**

34 (1)(a) The terms defined in Section 53G-5-102 apply to this section.

35 (b) As used in this section, "account" means the Charter School Revolving Account.

36 (2)(a) There is created within the Uniform School Fund a restricted account known as
37 the "Charter School Revolving Account" to provide assistance to charter schools to:

38 (i) meet school building construction and renovation needs; and

39 (ii) pay for expenses related to the start[-]up of a new charter school or the expansion
40 of an existing charter school.

41 (b) The state board, in consultation with the State Charter School Board, shall administer
42 the Charter School Revolving Account in accordance with rules adopted by the state
43 board.

44 (3) The Charter School Revolving Account shall consist of:

45 (a) money appropriated to the account by the Legislature;

46 (b) money received from the repayment of loans made from the account; and

47 (c) interest earned on money in the account.

48 (4) The state superintendent shall make loans to charter schools from the account to pay for
49 the costs of:

50 (a) planning expenses;

51 (b) constructing or renovating charter school buildings;

52 (c) equipment and supplies; or

53 (d) other start-up or expansion expenses.

54 (5) Loans to new charter schools or charter schools with urgent facility needs may be given
55 priority.

56 (6) The state board shall:

57 (a) review requests by charter schools for loans under this section; and

58 (b) in consultation with the State Charter School Board, approve or reject each request.

59 (7) A loan under this section may not be made unless the state board, in consultation with
60 the State Charter School Board, approves the loan.

61 (8) The term of a loan to a charter school under this section may not exceed five years.

62 (9) The state board may not approve loans to charter schools under this section that exceed
63 a total of \$2,000,000 in any fiscal year.

64 (10)(a) On March 16, 2011, the assets of the Charter School Building Subaccount

65 administered by the state board shall be deposited into the Charter School Revolving
66 Account.

67 (b) Beginning on March 16, 2011, loan payments for loans made from the Charter
68 School Building Subaccount shall be deposited into the Charter School Revolving
69 Account.

70 (11) Beginning on July 1, 2026, the state superintendent may not make new loans under this
71 section.

72 Section 2. Section **53F-9-203.1** is enacted to read:

73 **53F-9-203.1 . Charter School Revolving Fund.**

74 (1) As used in this section:

75 (a) The definitions in Section 53G-5-102 apply to this section.

76 (b) "Fund" means the Charter School Revolving Fund.

77 (2)(a) There is created within the Uniform School Fund a restricted account known as
78 the Charter School Revolving Fund to provide assistance to charter schools to:

79 (i) meet school building construction and renovation needs; and

80 (ii) pay for expenses related to the startup of a new charter school or the expansion of
81 an existing charter school.

82 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
83 Utah Charter Finance Authority shall make rules to administer the fund including:

84 (i) establishing the interest rates of loans;

85 (ii) amortization schedules for loans; and

86 (iii) other terms of repayment.

87 (3) The fund shall consist of:

88 (a) assets and money deposited in accordance with Subsection (9);

89 (b) money the Legislature appropriates to the fund;

90 (c) money received from the repayment of loans made from the fund; and

91 (d) interest earned on money in the fund.

92 (4) The Utah Charter Finance Authority shall make loans to charter schools from the fund
93 for a loan of:

94 (a) up to \$1,000,000 to a charter school for a school facility addition or expansion; or

95 (b) up to 25% of a requested loan amount to a charter school for the acquisition or
96 construction of a school facility.

97 (5) The Utah Charter Finance Authority shall:

98 (a) review requests by charter schools for loans under this section; and

99 (b) approve or reject each request.

100 (6) The Utah Charter Finance Authority:

101 (a) shall:

102 (i) make a loan that is secured by a promissory note and a deed of trust from the
103 charter school; and

104 (ii) require a recipient charter school to repay the funds if the recipient charter school
105 sells or refinances any collateral associated with the loan; and

106 (b) may make a loan that is subordinate to senior debt.

107 (7) A loan under this section may not be made unless the Utah Charter Finance Authority
108 approves the loan.

109 (8) The Utah Charter Finance Authority shall set the term of a loan to a charter school
110 under this section.

111 (9)(a) On July 1, 2026, the state board shall deposit the assets and unused money of the
112 Charter School Revolving Account that the state board administers as described in
113 Section 53F-9-203 into the fund.

114 (b) Beginning on July 1, 2026, the state board shall deposit loan payments for loans
115 made from the Charter School Revolving Account into the fund.

116 Section 3. Section **53G-4-902** is amended to read:

117 **53G-4-902 . Purchase of surplus property.**

118 (1) ~~[A]~~ Subject to Subsection (8), an eligible entity may purchase, and each school district
119 shall sell, surplus property as provided in this section.

120 (2)(a) Upon declaring land to be surplus property, each school district shall give written
121 notice to each eligible entity in which the surplus property is located.

122 (b) Each notice under Subsection (2)(a) shall:

123 (i) state that the school district has declared the land to be surplus property; and

124 (ii) describe the surplus property.

125 (3) Subject to Subsection (4), an eligible entity may purchase the surplus property by
126 paying the school district the purchase price.

127 (4)(a) The legislative body of each eligible entity desiring to purchase surplus property
128 under this section shall:

129 (i) within 90 days after the eligible entity receives notice under Subsection (2), adopt
130 a resolution declaring the intent to purchase the surplus property and deliver a
131 copy of the resolution to the school district; and

132 (ii) within 90 days after delivering a copy of the resolution under Subsection (4)(a)(i)

- 133 to the school district, deliver to the school district an earnest money offer to
134 purchase the surplus property at the purchase price.
- 135 (b) If an eligible entity fails to comply with either of the requirements under Subsection
136 (4)(a) within the applicable time period, the eligible entity forfeits the right to
137 purchase the surplus property.
- 138 (5)(a) An eligible entity may waive the eligible entity's right to purchase surplus
139 property under this part by submitting a written waiver to the school district.
- 140 (b) If an eligible entity submits a waiver under Subsection (5)(a), the school district has
141 no further obligation under this part to sell the surplus property to the eligible entity.
- 142 (6) Surplus property acquired by an eligible entity may not be used for any purpose other
143 than:
- 144 (a) a county, city, or town hall;
145 (b) a park or other open space;
146 (c) a cultural center or community center;
147 (d) a facility for the promotion, creation, or retention of public or private jobs within the
148 state through planning, design, development, construction, rehabilitation, business
149 relocation, or any combination of these, within a county, city, or town;
150 (e) office, industrial, manufacturing, warehousing, distribution, parking, or other public
151 or private facilities, or other improvements that benefit the state or a county, city, or
152 town;
153 (f) a facility for a charter school under Chapter 5, Charter Schools; or
154 (g) the sale, use, or lease for moderate income housing, as defined in Section 63L-12-101.
- 155 (7)(a) A school district that sells surplus property under this part may use proceeds from
156 the sale only for bond debt reduction or school district capital facilities.
- 157 (b) Each school district that sells surplus property under this part shall place all proceeds
158 from the sale that are not used for bond debt reduction in a capital facilities fund of
159 the school district for use for school district capital facilities.
- 160 (8)(a) This section does not apply to the disposal of a school building and associated real
161 property described in Section 53G-4-904, which provides charter schools with the
162 first option to purchase.
- 163 (b) After charter schools have exercised or waived the right to the first option to
164 purchase under Section 53G-4-904, an eligible entity may purchase the property
165 under this section.
- 166 Section 4. Section **53G-4-904** is enacted to read:

167 **53G-4-904 . Charter school first option to purchase decommissioned school**
168 **buildings and property -- Restrictions on resale.**

169 (1) As used in this section:

170 (a) "Originating LEA" means the LEA that owns the school building to be disposed of or
171 decommissioned.

172 (b) "School building and associated real property" means:

173 (i) a building that has been used as a school facility and the real property on which
174 the building is located; and

175 (ii) does not include portable or modular classrooms that are not permanently affixed
176 to the real property.

177 (2) Before an LEA may dispose of a school building and associated real property through
178 sale or other disposition of property, the LEA shall provide charter schools with the first
179 option to purchase the school building and associated real property.

180 (3) In accordance with Subsections (5) and (9), the LEA shall provide written notice of the
181 intended disposition to all charter schools authorized within the state at least 90 days
182 before any proposed sale or other disposition.

183 (4) The LEA shall set the price of the sale using an independent appraisal assessing fair
184 market value, which may be conducted by the Division of Facilities and Construction
185 Management.

186 (5) The LEA shall ensure the notice includes:

187 (a) a description of the property;

188 (b) the proposed terms of sale including the price determined in accordance with
189 Subsection (4); and

190 (c) a deadline for charter schools to submit written expressions of interest, which shall
191 be no less than 45 days from the date of notice.

192 (6) If multiple charter schools express interest, the LEA may select among charter school
193 applicants based on factors including educational program fit, financial capacity, and
194 community benefit.

195 (7)(a) A charter school that purchases a school building and associated real property
196 under this section may not dispose of the property through sale or other transfer
197 without first complying with the requirements of this section.

198 (b) If a charter school that purchased property under this section intends to dispose of
199 the property, the charter school shall:

200 (i) provide all charter schools authorized within the state with the first option to

201 purchase in accordance with the procedures established in this section; and
 202 (ii) after charter schools have exercised or waived the charter schools' rights, provide
 203 school districts the opportunity to purchase the property before offering the
 204 property for sale to any other entity.

205 (8) In accordance with Subsection (10), this section does not apply to property dispositions
 206 resulting from condemnation proceedings or where federal or state law requires a
 207 different disposition process.

208 (9)(a) When written notice is required under this section, the originating LEA shall
 209 notify the state board and charter school authorizers.

210 (b) Upon receiving notice under Subsection (9)(a):

211 (i) each charter school authorizer shall distribute the notice to all charter schools
 212 authorized by that authorizer; and

213 (ii) after all charter schools have waived the right to the first option to purchase, the
 214 state board shall distribute the notice to all school districts in the state.

215 (10) The provisions of this section take priority over and supersede any conflicting
 216 provisions in Section 53G-4-902 regarding the disposal of school buildings and
 217 associated real property.

218 Section 5. Section **53G-5-104** is amended to read:

219 **53G-5-104 . Purpose of charter schools -- Charter schools are public schools.**

220 (1) The purposes of the state's charter schools are to enhance school choice, meet the
 221 unique needs of Utah families, and encourage innovation within the public education
 222 system by:

223 [(1)] (a) continuing to improve student learning;

224 [(2)] (b) encouraging the use of different and innovative teaching methods;

225 [(3)] (c) creating new professional opportunities for educators that allow educators to
 226 actively participate in designing and implementing learning programs at the school;

227 [(4)] (d) increasing choice of learning opportunities for students;

228 [(5)] (e) establishing new educational models and new forms of accountability that
 229 emphasize unique performance measures and innovative measurement tools to
 230 measure education outcomes;

231 [(6)] (f) providing opportunities for greater parental involvement in governance decisions
 232 at the school level;

233 [(7)] (g) expanding public school choice in areas where there is a lack of school choice or
 234 where schools have been identified for school improvement, corrective action, or

235 restructuring; and

236 [(8)] (h) collaborating within the public education system.

237 (2) As described in Section 53G-5-401, a charter school is a public school for all purposes
238 under Utah law, including:

239 (a) the Legislature's authority under Utah Constitution, Article X, Section 3, to designate
240 schools and educational programs, including charter schools, as part of the public
241 education system;

242 (b) eligibility for public funding and resources;

243 (c) access to public facilities and property;

244 (d) participation in public school programs and initiatives; and

245 (e) application of laws governing an LEA.

246 Section 6. Section **53G-5-401** is amended to read:

247 **53G-5-401 . Status of charter schools.**

248 (1) Charter schools[-are]:

249 (a) are considered to be public schools within the state's public education system;

250 (b) are subject to Subsection 53E-3-401(8); and

251 (c) shall be governed by an independent [boards] board whose members have taken the
252 oath of office as described in Section 53G-5-406.5, and held accountable to a legally
253 binding written contractual agreement.

254 (2) A charter school may be established by:

255 (a) creating a new school; or

256 (b) converting an existing district school to charter status.

257 (3) A parochial school or home school is not eligible for charter school status.

258 Section 7. Section **53G-5-406.5** is enacted to read:

259 **53G-5-406.5 . Oath of office for charter school governing board members.**

260 (1) Before entering upon the duties of office, each charter school governing board member
261 shall take and subscribe to the following oath: "I do solemnly swear that I will support,
262 obey, and defend the Constitution of the United States and the Constitution of the State
263 of Utah, and that I will discharge the duties of my office as a charter school governing
264 board member with fidelity."

265 (2) The charter school's authorizer shall ensure the oath is administered by:

266 (a) in accordance with Section 78B-1-142, any person authorized to administer oaths;

267 (b) for a newly authorized charter school, a representative of the charter school's
268 authorizer; or

269 (c) after the initial board is sworn in, the chair or another member of the charter school
270 governing board.

271 (3) The charter school shall:

272 (a) in accordance with Subsection 51-1-2(2), maintain a record of each governing board
273 member's oath; and

274 (b) provide proof of compliance to the charter school's authorizer upon request.

275 Section 8. **Effective Date.**

276 This bill takes effect on May 6, 2026.