

Second Regular Session  
Sixty-eighth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 12-0252.02 Julie Pelegrin x2700

SENATE BILL 12-067

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SENATE SPONSORSHIP

Hudak, Bacon, Johnston, King K., Spence

HOUSE SPONSORSHIP

Holbert,

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Senate Committees  
Education

House Committees

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A BILL FOR AN ACT

101 CONCERNING REQUIREMENTS PERTAINING TO THE CORPORATE STATUS  
102 OF CHARTER SCHOOLS.

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Bill Summary

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

The bill requires each charter school, effective July 1, 2013, to incorporate as a nonprofit corporation.

The bill prohibits a board of education of a school district or the state charter school institute board (authorizer) from approving a charter application submitted by, or entering into a charter contract with, a

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

for-profit entity. Beginning September 1, 2012, an authorizer may not renew a charter or charter contract with a for-profit entity.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 22-30.5-104, **amend**  
3 (4) as follows:

4 **22-30.5-104. Charter school - requirements - authority.** (4) A  
5 charter school shall be administered and governed by a governing body  
6 in a manner agreed to by the charter school applicant and the chartering  
7 local board of education. ~~A~~ EFFECTIVE JULY 1, 2013, EACH charter school  
8 ~~may~~ SHALL organize as a nonprofit corporation pursuant to the "Colorado  
9 Nonprofit Corporation Act", articles 121 to 137 of title 7, C.R.S., which  
10 shall not affect its status as a public school for any purposes under  
11 Colorado law. Notwithstanding organization as a nonprofit corporation,  
12 a charter school shall annually complete a governmental audit that  
13 complies with the requirements of the department of education.

14 **SECTION 2.** In Colorado Revised Statutes, 22-30.5-105, **amend**  
15 (1) as follows:

16 **22-30.5-105. Charter schools - contract contents - regulations.**

17 (1) (a) An approved charter application shall serve as the basis for a  
18 contract between a charter school and the chartering local board of  
19 education.

20 (b) A LOCAL BOARD OF EDUCATION MAY APPROVE A CHARTER  
21 SCHOOL APPLICATION SUBMITTED BY A NONPROFIT ENTITY AND ENTER  
22 INTO A CHARTER CONTRACT DIRECTLY WITH THE NONPROFIT ENTITY TO  
23 OPERATE A CHARTER SCHOOL. A LOCAL BOARD OF EDUCATION SHALL NOT  
24 APPROVE A CHARTER SCHOOL APPLICATION THAT IS SUBMITTED BY A  
25 FOR-PROFIT ENTITY OR THAT IDENTIFIES A FOR-PROFIT ENTITY AS ONE OF

1 THE CHARTER APPLICANTS, AND THE LOCAL BOARD OF EDUCATION SHALL  
2 NOT ENTER INTO A CHARTER CONTRACT DIRECTLY WITH A FOR-PROFIT  
3 ENTITY TO OPERATE A CHARTER SCHOOL.

4 **SECTION 3.** In Colorado Revised Statutes, 22-30.5-110, **add** (6)  
5 as follows:

6 **22-30.5-110. Charter schools - term - renewal of charter -**  
7 **grounds for nonrenewal or revocation.** (6) NOTWITHSTANDING ANY  
8 PROVISION OF THIS SECTION TO THE CONTRARY, ON AND AFTER  
9 SEPTEMBER 1, 2012, A LOCAL BOARD OF EDUCATION SHALL NOT RENEW A  
10 CHARTER THAT IS HELD BY A FOR-PROFIT ENTITY EITHER SOLELY OR IN  
11 COOPERATION WITH OTHER ENTITIES.

12 **SECTION 4.** In Colorado Revised Statutes, 22-30.5-507, **amend**  
13 (4) as follows:

14 **22-30.5-507. Institute charter school - requirements -**  
15 **authority.** (4) An institute charter school shall be administered and  
16 governed by a governing body in a manner agreed to and set forth in the  
17 charter contract. ~~An~~ EFFECTIVE JULY 1, 2013, EACH institute charter  
18 school ~~may~~ SHALL organize as a nonprofit corporation pursuant to the  
19 "Colorado Revised Nonprofit Corporation Act", articles 121 to 137 of  
20 title 7, C.R.S., which shall not affect its status as a public school for any  
21 purposes under Colorado law.

22 **SECTION 5.** In Colorado Revised Statutes, 22-30.5-508, **amend**  
23 (1) as follows:

24 **22-30.5-508. Institute charter schools - contract contents -**  
25 **regulations.** (1) (a) An approved institute charter school application shall  
26 serve as the basis for a charter contract between the institute charter  
27 school and the institute.

1 (b) THE INSTITUTE BOARD MAY APPROVE AN INSTITUTE CHARTER  
2 SCHOOL APPLICATION SUBMITTED BY A NONPROFIT ENTITY, AND THE  
3 INSTITUTE MAY ENTER INTO A CHARTER CONTRACT DIRECTLY WITH THE  
4 NONPROFIT ENTITY TO OPERATE AN INSTITUTE CHARTER SCHOOL. THE  
5 INSTITUTE BOARD SHALL NOT APPROVE A CHARTER SCHOOL APPLICATION  
6 THAT IS SUBMITTED BY A FOR-PROFIT ENTITY OR THAT IDENTIFIES A  
7 FOR-PROFIT ENTITY AS ONE OF THE CHARTER APPLICANTS, AND THE  
8 INSTITUTE SHALL NOT ENTER INTO A CHARTER CONTRACT DIRECTLY WITH  
9 A FOR-PROFIT ENTITY TO OPERATE AN INSTITUTE CHARTER SCHOOL.

10 **SECTION 6.** In Colorado Revised Statutes, 22-30.5-511, **add** (6)  
11 as follows:

12 **22-30.5-511. Institute charter schools - term - renewal of**  
13 **contract - grounds for nonrenewal or revocation - appeal.**

14 (6) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE  
15 CONTRARY, ON AND AFTER SEPTEMBER 1, 2012, THE INSTITUTE SHALL NOT  
16 RENEW A CHARTER CONTRACT TO WHICH A FOR-PROFIT ENTITY IS A PARTY.

17 **SECTION 7. Act subject to petition - effective date.** This act  
18 takes effect at 12:01 a.m. on the day following the expiration of the  
19 ninety-day period after final adjournment of the general assembly (August  
20 7, 2012, if adjournment sine die is on May 9, 2012); except that, if a  
21 referendum petition is filed pursuant to section 1 (3) of article V of the  
22 state constitution against this act or an item, section, or part of this act  
23 within such period, then the act, item, section, or part will not take effect  
24 unless approved by the people at the general election to be held in  
25 November 2012 and, in such case, will take effect on the date of the  
26 official declaration of the vote thereon by the governor.