

SUBJECT:           Allowing school districts to extend depository contracts with banks

COMMITTEE:       Public Education — favorable, without amendment

VOTE:             6 ayes — Sadler, Dutton, Culberson, Hernandez, Price, Williamson

                      1 nay — Rhodes

                      1 present, not voting — Hochberg

                      1 absent — Uher

SENATE VOTE:     On final passage, Local and Uncontested Calendar, April 3 — 31-0

WITNESSES:       For — Ronald Wilson, Galena Park Independent School District

                      Against — None

BACKGROUND  
:                   School districts are required to select a bank located in Texas as a depository every two years through a competitive bidding process. The school district selects the highest and best bid on basis of interest rates offered, charges for keeping district accounts and records, and other matters that the school board determines would be in the best interest of the district.

DIGEST:           SB 656 would allow school districts to extend a depository contract with a bank for one additional two-year period.

                      SB 656 would take immediate effect if finally approved by a two-thirds record vote of the membership in each house.