

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 656  
By: Gallegos  
Education  
3-19-97  
Committee Report (Substituted)

### **DIGEST**

Currently, a selected depository bank is required to serve a two-year term under certain conditions, and the contract term must coincide with the school district's fiscal year. Re-bidding depository contracts every two years may be difficult and time consuming for school business officials. This bill allows a school district to extend a depository contract for one additional two-year term, under certain conditions.

### **PURPOSE**

As proposed, C.S.S.B. 656 allows a school district to extend a depository contract for one additional two-year term, under certain conditions.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 45.205, Education Code, as follows:

Sec. 45.205. TERM OF CONTRACT. Requires the depository bank to serve a term for two years and until its successor is selected and qualified, except as provided by Subsection (b). Authorizes a school district and the district's depository bank to agree to extend a depository contract for one additional two-year term. Provides that an extension under this subsection is not subject to the requirements of Section 45.206. Requires the contract term and any extension to coincide with the school district's fiscal year.

SECTION 2. Effective date: September 1, 1997.

SECTION 3. Emergency clause.

### **SUMMARY OF COMMITTEE CHANGES**

SECTION 1.

Amends Section 45.205, Education Code, to authorize a depository contract to be extended for one additional two-year term, rather than an additional two-year term.