

BILL ANALYSIS

Senate Research Center

H.B. 758
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Education
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Engrossed

DIGEST AND PURPOSE

Under current Texas law, members of school district boards of trustees are not prevented from doing business with the school districts the board members serve. Although board members are required to declare their interests in businesses and abstain from voting on issues that involve contracts with those businesses, evidence suggests that board members are benefitting from contracts obtained within these guidelines from business dealings with the districts board members serve. H.B. 758 prohibits a school district from entering into or renewing a contract with a business entity in which a district trustee has a substantial interest but authorizes a school district to enter into or renew a contract with a business entity in which a district trustee has a substantial interest if certain criteria exists.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 171, Local Government Code, by adding Section 171.0041, as follows:

Sec. 171.0041. CERTAIN SCHOOL DISTRICT CONTRACTS PROHIBITED. (a) Prohibits a school district, except as provided by Subsection (b), from entering into or renewing a contract with a business entity in which a district trustee has a substantial interest.

(b) Authorizes a school district to enter into or renew a contract with a business entity in which a district trustee has a substantial interest if certain criteria exists.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2003.