

BILL ANALYSIS

Senate Research Center
85R23768 MM-F

C.S.H.B. 878
By: King, Ken; Fallon (Perry)
Education
5/11/2017
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties note that while an independent school district is able to extend a two-year contract with its depository bank two times, no changes to the contract may be made without beginning the process of executing a new contract. H.B. 878 seeks to allow districts to extend depository contracts for an additional two-year term and to allow the contracts to be modified. (Original Author's / Sponsor's Statement of Intent)

C.S.H.B. 878 amends current law relating to the extension and modification of a public school district depository contract.

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 Section 45.205(b), Education Code, as follows:

(b) Authorizes a school district and the district's depository bank to agree to extend a depository contract for three additional two-year terms, rather than two additional two-year terms. Authorizes the contract to be modified for each two-year extension if both parties mutually agree to the terms.

SECTION 2. Effective date: September 1, 2017.