

By: Morales of Harris

H.B. No. 423

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a prohibition on the board of trustees of a school
3 district from entering into certain contracts and the disclosure of
4 certain conflicts of interest.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subchapter D, Chapter 11, Education Code, is
7 amended by adding Section 11.187 to read as follows:

8 Sec. 11.187. CERTAIN CONTRACTS PROHIBITED; DISCLOSURE
9 REQUIRED. (a) Except as provided by Subsection (b), the board of
10 trustees of a school district may not enter into a contract with:

11 (1) a member of any school district's board of
12 trustees; or

13 (2) a company in which a member of any school
14 district's board of trustees:

15 (A) holds an ownership interest; and

16 (B) expects to receive a significant financial
17 gain from the contract.

18 (b) Subsection (a) does not apply to a contract to which
19 Section 45.204 applies.

20 (c) A member of the board of trustees of a school district
21 shall provide a written disclosure to the board and the agency of
22 any ownership interest described by Subsection (a)(2).

23 (d) A contract entered into in violation of this section is
24 void.

1 (e) The commissioner shall adopt rules to implement this
2 section.

3 SECTION 2. Not later than December 1, 2025, the
4 commissioner of education shall adopt rules to implement Section
5 11.187, Education Code, as added by this Act.

6 SECTION 3. The change in law made by this Act applies only
7 to a contract entered into on or after December 1, 2025. A contract
8 entered into before December 1, 2025, is governed by the law in
9 effect immediately before the effective date of this Act, and the
10 former law is continued in effect for that purpose.

11 SECTION 4. This Act takes effect September 1, 2025.