

By: Bettencourt
(Bell of Montgomery)

S.B. No. 2237

A BILL TO BE ENTITLED

AN ACT

relating to severance pay for certain political subdivision employees.

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

SECTION 1. Chapter 180, Local Government Code, is amended by adding Section 180.011 to read as follows:

Sec. 180.011. LIMITATION ON SEVERANCE PAY FOR EXECUTIVE EMPLOYEES. (a) In this section:

(1) "Misconduct" means an act or omission by an employee of a political subdivision in the performance of the employee's duties that the governing body of the political subdivision determines to be misconduct. The term includes any finding of criminal conduct.

(2) "Severance pay" means dismissal or separation income paid on termination of the employment of an employee that is in addition to the employee's usual earnings from the employer at the time of termination.

(b) A person is an executive employee of a political subdivision for purposes of this section if the person is:

(1) a chief executive officer of a political subdivision other than a school district;

(2) an agency or department head; or

(3) the superintendent of a school district or the chief executive officer of an open-enrollment charter school.

1 (c) A political subdivision that enters into an employment
2 agreement, or renewal or renegotiation of an existing employment
3 agreement, that contains a provision for severance pay with an
4 executive employee must include:

5 (1) a requirement that severance pay that is paid from
6 tax revenue may not exceed the amount of compensation, at the rate
7 at the termination of employment, the executive employee would have
8 been paid for 20 weeks, excluding paid time off or accrued vacation
9 leave; and

10 (2) a prohibition of the provision of severance pay
11 when the executive employee is terminated for misconduct.

12 (d) A political subdivision shall post each severance
13 agreement in a prominent place on the political subdivision's
14 Internet website.

15 (e) This subsection applies to an action brought against a
16 political subdivision by an executive employee of the political
17 subdivision arising from the termination of the person's
18 employment. A court may not issue a writ of execution or mandamus
19 in connection with a judgment in the action if the judgment does not
20 comply with this section.

21 SECTION 2. Section 180.011, Local Government Code, as added
22 by this Act, applies only to an employment agreement entered into or
23 an action filed on or after the effective date of this Act.

24 SECTION 3. This Act takes effect September 1, 2025.