

By: Gallego

H.B. No. 463

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the terms of an employment contract of a political  
3 subdivision.

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

5 SECTION 1. Chapter 180, Local Government Code, is amended  
6 by adding Section 180.005 to read as follows:

7 Sec. 180.005. LIMITATION ON DURATION OF, AND SEVERANCE PAY  
8 UNDER, EMPLOYMENT CONTRACT. (a) In this section, "political  
9 subdivision" means a county, municipality, special district,  
10 school district, junior college district, housing authority, or  
11 other political subdivision of the state.

12 (b) The duration of a contract for employment with a  
13 political subdivision may not exceed the length of the term a member  
14 of the governing body of the political subdivision is elected to  
15 serve.

16 (c) A political subdivision may not, as part of a severance  
17 package or as part of any other agreement or settlement made in  
18 relation to the termination of a person's employment, make a  
19 payment to an employee in an amount that exceeds the amount of the  
20 employee's salary for 50 percent of the time remaining on an  
21 employment contract. This subsection does not limit the amount  
22 that may be paid to an employee for other benefits accrued during  
23 employment.

24 SECTION 2. This Act takes effect September 1, 2003, and

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1 applies only to a contract for employment with a political  
2 subdivision that is entered into on or after that date.