

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 234
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Education
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

School districts may enter into an income-producing contract under current statute although the school district is not required to publicly disclose the information or report the entity with whom the contract is entered into. Currently, there is no disclosure law on this issue.

C.S.S.B. 234 requires disclosure of the income-producing contracts entered into by a school district in a newspaper or on the school district's Internet website semi-annually. The disclosure must include the names and addresses of each party to the contract, a description of the type of contract, the date the contract was entered into, the duration of the contract, a statement of the expected amount of income received under the contract, and a statement of the amount of income the district received under the contract during the period reported.

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 Subchapter A, Chapter 44, Education Code, by adding Section 44.012, as follows:

Sec. 44.012. REPORT OF INCOME-PRODUCING CONTRACTS. (a) Defines "income-producing contract."

(b) Requires a school district to publish a report of income-producing contracts in a newspaper of general circulation in a county in which the district is located or the county seat of an adjacent county if a newspaper of general circulation is not published in a county in which the district is located, or post a report of income-producing contracts on the district's Internet website.

(c) Requires the district's report to include the full name and address of each party to the contract, a description of the type of contract, the date the contract was entered into, the duration of the contract, a statement of the expected amount of income to be received under the contract, and a statement of the amount of income the district received under the contract during the reporting period for each income-producing contract entered into by the district or under which the district receives income during the reporting period over the term of the contract, except as provided by Subsection (d).

(d) Provides that a school district is not required to report a contract from which the district expects to receive income of \$2,500 or less over the term of the contract, or a contract between the district and another school district or other governmental entity.

(e) Requires a school district to publish or post on the district's Internet website a report of income-producing contracts two times each year. Requires the first report to be published not later than August 15 and cover the period from the previous January 1 through June 30 and requires the second report to be published not later than February 15 and cover the period from the previous July 1 through

December 31 for a district whose fiscal year begins July 1. Requires the first report to be published not later than October 15 and cover the period from the previous March 1 through August 31 and requires the second report to be published or posted not later than April 15 and cover the period from the previous September 1 through the last day of February for a district whose fiscal year begins September 1.

(f) Permits the district to remove information relating to the contract from the district's Internet website beginning on the second anniversary of the last date a school district receives income under an income-producing contract if the district does not expect to receive any additional income under that contract.

SECTION 2. Requires the school district to publish or post on the district's Internet website the first report of income-producing contracts under Section 44.012, Education Code, as added by this Act, no later than October 15, 2007, or February 15, 2008, depending on the date the district's fiscal year begins.

SECTION 3. Effective date: upon passage or September 1, 2007.