

AN ACT

relating to the creation of an irrevocable trust for the proceeds of the sale or disposition of county school lands.

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

SECTION 1. Subchapter E, Chapter 45, Education Code, is amended by adding Section 45.113 to read as follows:

Sec. 45.113. TRUST FOR COUNTY PERMANENT SCHOOL FUND. (a) Notwithstanding former Subchapter E, Chapter 17, as that subchapter existed on May 1, 1995, the commissioners court of a county may:

(1) sell or otherwise dispose of county school lands in the manner determined by the court;

(2) establish an irrevocable trust for the proceeds of a sale or other disposition under Subdivision (1); and

(3) invest the principal of a trust created under Subdivision (2) in any investment permitted for other county funds under Chapter 2256, Government Code.

(b) The members of the commissioners court and their successors in office must be the sole trustees of a trust established under Subsection (a)(2). The trustees may not delegate the authority to manage or invest the trust but may contract with qualified persons for investment advice.

(c) The principal of a trust established under Subsection (a)(2) constitutes a portion of the county permanent school fund and must be held in perpetuity for the benefit of the public schools

1 in the county. The income of a trust established under Subsection
2 (a)(2) constitutes a portion of the county available school fund
3 and may be distributed as permitted by law.

4 SECTION 2. This Act takes effect immediately if it receives
5 a vote of two-thirds of all the members elected to each house, as
6 provided by Section 39, Article III, Texas Constitution. If this
7 Act does not receive the vote necessary for immediate effect, this
8 Act takes effect September 1, 2007.

President of the Senate

Speaker of the House

I certify that H.B. No. 890 was passed by the House on April 27, 2007, by the following vote: Yeas 133, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 890 was passed by the Senate on May 18, 2007, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor