

AN ACT

relating to a prohibition against the governing board of a public institution of higher education entering into certain contracts relating to permanent improvements at the institution.

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

SECTION 1. Subchapter T, Chapter 51, Education Code, is amended by adding Section 51.785 to read as follows:

Sec. 51.785. CERTAIN CONTRACTS PROHIBITED. The board of an institution may not enter into a contract with a person relating to a permanent improvement project at the institution under which the institution makes contractual payments to the person that are not reflected on the institution's financial statement unless the board:

(1) is specifically authorized to enter into the contract by other law; or

(2) receives prior approval by the Texas Higher Education Coordinating Board.

SECTION 2. Section 51.785, Education Code, as added by this Act, applies only to a contract entered into on or after the effective date of this Act.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this

H.B. No. 3291

1 Act takes effect September 1, 2007.

President of the Senate

Speaker of the House

I certify that H.B. No. 3291 was passed by the House on May 8, 2007, by the following vote: Yeas 146, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3291 was passed by the Senate on May 23, 2007, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor