

By: Harris

S.B. No. 234

A BILL TO BE ENTITLED

AN ACT

relating to the reporting of income-producing contracts or programs entered into or operated by school districts.

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

SECTION 1. Subchapter A, Chapter 44, Education Code, is amended by adding Section 44.012 to read as follows:

Sec. 44.012. REPORT OF INCOME-PRODUCING CONTRACTS AND PROGRAMS. (a) In this section, "income-producing contract or program" means:

(1) a contract under which a school district is entitled to or expects to receive income, including rentals, royalties, or a percentage of sales revenue; or

(2) a program operated by a school district or another entity under which the district is entitled to or expects to receive income.

(b) As provided by this section, a school district shall:

(1) publish a report of income-producing contracts and programs in a newspaper of general circulation in:

(A) a county in which the district is located; or

(B) the county seat of a county adjacent to a county in which the district is located, if a newspaper of general circulation is not published in a county in which the district is located; or

(2) post a report of income-producing contracts and

1 programs on the district's Internet website.

2 (c) Except as provided by Subsection (d):

3 (1) for each income-producing contract a school
4 district enters into or under which the district receives income
5 during the reporting period covered by the publication or posting,
6 the district's report must include:

7 (A) the full name and address of each party to the
8 contract other than the district;

9 (B) a description of the type of contract
10 involved;

11 (C) the date the contract was entered into;

12 (D) the duration of the contract;

13 (E) a statement of the amount of income the
14 district expects to receive under the contract over the term of the
15 contract; and

16 (F) a statement of the amount of income the
17 district received under the contract during the reporting period;
18 and

19 (2) for each income-producing program under which the
20 district receives income during the reporting period covered by the
21 publication or posting, the district's report must include:

22 (A) the name of the program;

23 (B) a description of the program;

24 (C) if the program is operated by an entity other
25 than the district, the name of each entity from whom the district
26 received income under the program during the reporting period; and

27 (D) a statement of the total amount of income the

1 district received under the program during the reporting period.

2 (d) A school district is not required to report under this
3 section:

4 (1) a contract or program from which the district
5 expects to receive income of \$5,000 or less over:

6 (A) the term of the contract, in the case of a
7 contract; or

8 (B) the reporting period, in the case of a
9 program;

10 (2) a contract between the district and another school
11 district or other governmental entity; or

12 (3) a fund-raising contract with a nonprofit
13 organization or student group.

14 (e) A school district shall publish or shall post on the
15 district's Internet website a report of income-producing contracts
16 and programs two times each year. For a district whose fiscal year
17 begins July 1, the first report shall be published or posted not
18 later than August 15 and cover the period from the preceding January
19 1 through June 30, and the second report shall be published or
20 posted not later than February 15 and cover the period from the
21 preceding July 1 through December 31. For a district whose fiscal
22 year begins September 1, the first report shall be published or
23 posted not later than October 15 and cover the period from the
24 preceding March 1 through August 31, and the second report shall be
25 published or posted not later than April 15 and cover the period
26 from the preceding September 1 through the last day of February.

27 (f) Beginning on the second anniversary of the last date a

1 school district receives income under an income-producing contract
2 or program, if the district does not expect to receive additional
3 income under the contract or program, the district may remove
4 information relating to the contract or program from the district's
5 Internet website.

6 SECTION 2. A school district's first report of
7 income-producing contracts and programs under Section 44.012,
8 Education Code, as added by this Act, must be published or must be
9 posted on the district's Internet website not later than October
10 15, 2007, or February 15, 2008, depending on the date the district's
11 fiscal year begins.

12 SECTION 3. This Act takes effect immediately if it receives
13 a vote of two-thirds of all the members elected to each house, as
14 provided by Section 39, Article III, Texas Constitution. If this
15 Act does not receive the vote necessary for immediate effect, this
16 Act takes effect September 1, 2007.