

BILL ANALYSIS

Senate Research Center
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S.B. 270
By: Harris
Education
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The purpose of this legislation is to provide people with valuable financial information that they deserve to have before voting on whether or not to raise their property taxes. School districts are allowed to enter into income-producing contracts and operate income-producing programs. These programs could be as small as a one day facility rental or as significant as royalties from oil and gas wells. Currently, this information is only available through an open records request, making the information difficult to access. School districts could potentially be collecting millions of dollars from oil and gas royalties, but the people voting on whether or not to raise their taxes do not have this information readily available.

As proposed, S.B. 270 requires that a report containing information on income-producing contracts or programs be published on the school district's Internet website or in a newspaper of general circulation two times each year. The bill provides that contracts or programs with a value of \$5,000 or less are exempt from the disclosure requirement.

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 44.013, as follows:

Sec. 44.013. REPORT OF INCOME-PRODUCING CONTRACTS AND PROGRAMS.

(a) Defines "income-producing contract or program."

(b) Requires a school district, as provided by this section, to publish a report of income-producing contracts and programs in a newspaper of general circulation in a county in which the district is located or the county seat of a county adjacent to the 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 to post a report of income-producing contracts and programs on the district's Internet website.

(c) Requires that, except as provided by Subsection (d), for each income-producing contract a school district enters into or under which the district receives income during the reporting period covered by the publication or posting, the district's report include certain information concerning the contract and that for each income-producing program under which the district receives income during the reporting period covered by the publication or posting, the district's report include certain information concerning the program.

(d) Provides that a school district is not required to report under this section a contract or program from which the district expects to receive income of \$5,000 or less over the term of the contract, in the case of a contract, or the reporting period, in the case of a program; a contract between the district and another school district or other governmental entity; or a fund-raising contract with a nonprofit organization or student group.

(e) Requires that a school district publish or post on the district's Internet website a report of income-producing contracts and programs two times each year. Requires that, for a district whose fiscal year begins July 1, the first report be published or posted not later than August 15 and cover the period from the preceding January 1 through June 30, and the second report be published or posted not later than February 15 and cover the period from the preceding July 1 through December 31. Requires that, for a district whose fiscal year begins September 1, the first report be published or posted not later than October 15 and cover the period from the preceding March 1 through August 31, and the second report be published or posted not later than April 15 and cover the period from the preceding September 1 through the last day of February.

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

SECTION 2. Requires that a school district's first report of income-producing contracts and programs under Section 44.013, Education Code, as added by this Act, be published or posted on the district's Internet website not later than October 15, 2009 or February 15, 2010, depending on the date the district's fiscal year begins.

SECTION 3. Effective date: upon passage or September 1, 2009.