

By: Gallegos

S.B. No. 2185

A BILL TO BE ENTITLED

AN ACT

relating to contracting practices of certain large nonprofit corporations.

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

SECTION 1. The heading to Subchapter B, Chapter 22, Business Organizations Code, is amended to read as follows:

SUBCHAPTER B. PURPOSES, ~~AND~~ POWERS, AND DUTIES

SECTION 2. Subchapter B, Chapter 22, Business Organizations Code, is amended by adding Section 22.058 to read as follows:

Sec. 22.058. CONTRACTS FOR SERVICES BY CERTAIN NONPROFIT CORPORATIONS. (a) This section applies only to a nonprofit corporation that:

(1) is described by Section 501(c)(3), Internal Revenue Code of 1986; and

(2) has total annual gross revenues of \$50 million or more, according to the corporation's most recent financial statement.

(b) A nonprofit corporation to which this section applies must obtain services in the manner provided for the purchase of services by a state agency using the request for proposals method under Subtitle D, Title 10, Government Code.

SECTION 3. Section 22.058, Business Organizations Code, as added by this Act, applies only to a contract that is entered into on or after the effective date of this Act. A contract entered into

1 before the effective date of this Act is governed by the law in
2 effect on the date the contract was entered into, and the former law
3 is continued in effect for that purpose.

4 SECTION 4. This Act takes effect September 1, 2009.