

By: Crownover

H.B. No. 3245

A BILL TO BE ENTITLED

AN ACT

relating to qualified nonprofit corporations acting for and on behalf of two or more cities.

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

SECTION 1. Subchapter C, Chapter 53B, Education Code, is amended by adding Section 53B.48 to read as follows:

Sec. 53B.48. QUALIFIED NONPROFIT CORPORATION ACTING FOR OR ON BEHALF OF TWO OR MORE CITIES. (a) A qualified nonprofit corporation described by Section 53B.47(e) that has agreed to exercise the powers enumerated under Section 53B.47 for and on behalf of two or more cities may withdraw from acting for and on behalf of any of those cities if the governing body of the applicable city consents to the withdrawal and rescinds its earlier request that the nonprofit corporation act for and on behalf of the city. A nonprofit corporation that completes a withdrawal described by this subsection continues to act under the authority of Section 53B.47(e) for and on behalf of the remaining city or cities.

(b) Following the qualified nonprofit corporation's withdrawal under this section from acting for and on behalf of a city:

(1) the applicable city is no longer:

(A) entitled to participate in the appointment or removal of a member of the board of directors of the nonprofit

1 corporation under Section 53B.47(e); or

2 (B) authorized or required to participate in the
3 approval of the issuance of revenue bonds or other borrowings by the
4 nonprofit corporation under Section 53B.47(a); and

5 (2) members of the board of directors of the nonprofit
6 corporation who were appointed by that city are no longer
7 considered to be qualified directors of the nonprofit corporation.

8 (c) A qualified nonprofit corporation that withdraws from
9 acting for and on behalf of a city may change the size of its board
10 of directors to reflect the withdrawal, provided that its bylaws at
11 all times require at least three directors. The governing body or
12 bodies of the city or cities for and on behalf of which the
13 nonprofit corporation continues to act retain the power to:

14 (1) appoint and remove the directors of the nonprofit
15 corporation as provided by Section 53B.47(e); and

16 (2) approve the issuance of revenue bonds or other
17 borrowings by the nonprofit corporation as provided by Section
18 53B.47(a).

19 SECTION 2. This Act takes effect immediately if it receives
20 a vote of two-thirds of all the members elected to each house, as
21 provided by Section 39, Article III, Texas Constitution. If this
22 Act does not receive the vote necessary for immediate effect, this
23 Act takes effect September 1, 2015.