

1-1 By: Crossover (Senate Sponsor - Hancock) H.B. No. 3245
 1-2 (In the Senate - Received from the House April 20, 2015;
 1-3 May 4, 2015, read first time and referred to Committee on Higher
 1-4 Education; May 13, 2015, reported favorably by the following vote:
 1-5 Yeas 7, Nays 0; May 13, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			

1-15 A BILL TO BE ENTITLED
 1-16 AN ACT

1-17 relating to qualified nonprofit corporations acting for and on
 1-18 behalf of two or more cities.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-20 SECTION 1. Subchapter C, Chapter 53B, Education Code, is
 1-21 amended by adding Section 53B.48 to read as follows:

1-22 Sec. 53B.48. QUALIFIED NONPROFIT CORPORATION ACTING FOR OR
 1-23 ON BEHALF OF TWO OR MORE CITIES. (a) A qualified nonprofit
 1-24 corporation described by Section 53B.47(e) that has agreed to
 1-25 exercise the powers enumerated under Section 53B.47 for and on
 1-26 behalf of two or more cities may withdraw from acting for and on
 1-27 behalf of any of those cities if the governing body of the
 1-28 applicable city consents to the withdrawal and rescinds its earlier
 1-29 request that the nonprofit corporation act for and on behalf of the
 1-30 city. A nonprofit corporation that completes a withdrawal
 1-31 described by this subsection continues to act under the authority
 1-32 of Section 53B.47(e) for and on behalf of the remaining city or
 1-33 cities.

1-34 (b) Following the qualified nonprofit corporation's
 1-35 withdrawal under this section from acting for and on behalf of a
 1-36 city:

1-37 (1) the applicable city is no longer:

1-38 (A) entitled to participate in the appointment or
 1-39 removal of a member of the board of directors of the nonprofit
 1-40 corporation under Section 53B.47(e); or

1-41 (B) authorized or required to participate in the
 1-42 approval of the issuance of revenue bonds or other borrowings by the
 1-43 nonprofit corporation under Section 53B.47(a); and

1-44 (2) members of the board of directors of the nonprofit
 1-45 corporation who were appointed by that city are no longer
 1-46 considered to be qualified directors of the nonprofit corporation.

1-47 (c) A qualified nonprofit corporation that withdraws from
 1-48 acting for and on behalf of a city may change the size of its board
 1-49 of directors to reflect the withdrawal, provided that its bylaws at
 1-50 all times require at least three directors. The governing body or
 1-51 bodies of the city or cities for and on behalf of which the
 1-52 nonprofit corporation continues to act retain the power to:

1-53 (1) appoint and remove the directors of the nonprofit
 1-54 corporation as provided by Section 53B.47(e); and

1-55 (2) approve the issuance of revenue bonds or other
 1-56 borrowings by the nonprofit corporation as provided by Section
 1-57 53B.47(a).

1-58 SECTION 2. This Act takes effect immediately if it receives
 1-59 a vote of two-thirds of all the members elected to each house, as
 1-60 provided by Section 39, Article III, Texas Constitution. If this
 1-61 Act does not receive the vote necessary for immediate effect, this

2-1 Act takes effect September 1, 2015.

2-2 * * * * *