**BILL ANALYSIS**

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| Senate Research Center | S.B. 754 |
| 85R8259 MM-F | By: Perry |
|  | Education |
|  | 4/13/2017 |
|  | As Filed |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Education Code currently requires a school district to have a depository bank into which the Texas Education Agency can deposit funds for the district. The district creates a depository relationship with a bank by executing a depository contract with the bank. Each school district's depository contract must be renewed every two years.

Currently, an extension of depository contract for a school district may extend for a second additional two-year term if:

* The district did not file an extension in the two previous bienniums; and
* The district and the depository bank agree to extend the current depository contract with no changes to the contract other than the extension of the contract term.

To extend the term of its depository contract, the district and depository bank must execute the depository contract extension form for districts.

If the contract expires a new contract is selected through a competitive bidding or proposal process.

A depository must be a bank located in this state.

S.B. 754 seeks to amend Section 45.205(b), Education Code, by extending the depository contract for a third additional two-year term and allow the contract to be modified if both parties mutually agree to the terms.

As proposed, S.B. 754 amends current law relating to the extension and modification of a public school district depository contract.

**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 Section 45.205(b), Education Code, as follows:

(b) Authorizes a school district and the district's depository bank to agree to extend a depository contract for three, rather than two, additional two-year terms. Authorizes the contract to be modified for each two-year extension if both parties mutually agree to the terms.

SECTION 2. Effective date: September 1, 2017.