

BILL ANALYSIS

H.B. 4131
By: Swanson
Public Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

It has been suggested that expenditures by public schools that are not for the fundamental teaching mission of a public school should be curbed or ended. There are concerns that these expenditures are made even more egregious when a school spends larger sums of tax dollars than it received through the recapture system. H.B. 4131 seeks to address these concerns by prohibiting a public school district or open-enrollment charter school from having a business interest in certain entities or owning real property associated with those entities.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 4131 amends the Education Code to prohibit a public school district or open-enrollment charter school, directly or indirectly through an affiliate, from having a business interest in an entity or owning real property associated with an entity described by the North American Industry Classification System in any of the following sector codes:

- Sector 53: Real Estate and Rental and Leasing;
- Sector 71: Arts, Entertainment, and Recreation; or
- Sector 72: Accommodation and Food Services.

H.B. 4131 defines "business interest" as owning or controlling, directly or indirectly, more than a 10 percent interest in a business entity. The bill's provisions apply to an ownership or business interest in an entity or real property acquired by a district or charter school before, on, or after the bill's effective date. The bill requires a district or charter school to divest all ownership or business interest prohibited by the bill not later than September 1, 2024.

EFFECTIVE DATE

September 1, 2019.