

AN ACT

relating to contracting with a school district or open-enrollment charter school by a vendor with whom a member of the board of trustees or governing body of the district or school or a related individual has certain business interests; creating a criminal offense.

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

SECTION 1. Subchapter C, Chapter 11, Education Code, is amended by adding Section 11.067 to read as follows:

Sec. 11.067. PROHIBITION ON CERTAIN ACTIVITY BY VENDOR.

(a) In this section, "vendor" means a company, individual, contractor, subcontractor, or professional services provider with whom a school district or open-enrollment charter school enters into an agreement, contract, memorandum of understanding, interlocal agreement, fee schedule, retainer, or similar instrument for goods or services.

(b) A vendor that bids on or receives a contract from a school district or an open-enrollment charter school commits an offense if any individual serving on the board of trustees or governing body of the district or school:

(1) has a substantial interest in the vendor or a subcontractor hired by a vendor;

(2) is related in the second degree by consanguinity or affinity, as determined under Chapter 573, Government Code, to

1 an individual who has a substantial interest in the vendor; or

2 (3) has received or has been promised a gift or in-kind
3 services with a value of more than \$250.

4 (c) An individual has a substantial interest in a vendor if
5 the individual:

6 (1) owns more than 10 percent of the voting interest in
7 the vendor; or

8 (2) has a direct or indirect participating interest by
9 shares, stock, or otherwise, regardless of whether voting rights
10 are included, in more than 10 percent of the profits, proceeds, or
11 capital gains of the vendor.

12 (d) An offense under this section is a Class C misdemeanor,
13 except that a second offense under this section is a Class B
14 misdemeanor, a third offense under this section is a Class A
15 misdemeanor, and a fourth or subsequent offense under this section
16 is a state jail felony.

17 (e) Notwithstanding Subsection (d), any offense under this
18 section is a state jail felony if the vendor directly or indirectly
19 through a third party compensated the individual serving on the
20 board of trustees or governing body of a school district or
21 open-enrollment charter school with money, gifts, or in-kind
22 services as consideration for the district or school entering into
23 a contract with the vendor.

24 SECTION 2. This Act takes effect September 1, 2025.

President of the Senate

Speaker of the House

I certify that H.B. No. 210 was passed by the House on April 16, 2025, by the following vote: Yeas 146, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 210 was passed by the Senate on May 16, 2025, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor