

By: Guillen

H.B. No. 210

A BILL TO BE ENTITLED

AN ACT

1
2 relating to contracting with a school district by a vendor with whom
3 a member of the board of trustees of the district or a related
4 individual has certain business interests; creating a criminal
5 offense.

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

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

9 Sec. 11.067. PROHIBITION ON CERTAIN ACTIVITY BY VENDOR.

10 (a) A vendor that bids on or receives a contract from a school
11 district commits an offense if any individual serving on the board
12 of trustees of the school district:

13 (1) has a substantial interest in the vendor; or

14 (2) is related in the second degree by consanguinity
15 or affinity, as determined under Chapter 573, Government Code, to
16 an individual who has a substantial interest in the vendor.

17 (b) An individual has a substantial interest in a vendor if
18 the individual:

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

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

1 (c) An offense under this section is a Class C misdemeanor,
2 except that a second offense under this section is a Class B
3 misdemeanor, a third offense under this section is a Class A
4 misdemeanor, and a fourth or subsequent offense under this section
5 is a state jail felony.

6 (d) Notwithstanding Subsection (c), any offense under this
7 section is a state jail felony if the vendor directly compensated
8 the individual serving on the school district's board of trustees
9 as consideration for the district entering into a contract with the
10 vendor.

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