

By: Kolkhorst, Middleton

S.B. No. 504

A BILL TO BE ENTITLED

AN ACT

relating to the disclosure of certain financial information by certain nonprofit organizations that enter into sizeable contracts with political subdivisions.

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

SECTION 1. Subchapter Z, Chapter 2252, Government Code, is amended by adding Section 2252.902 to read as follows:

Sec. 2252.902. CONTRACTS WITH NONPROFIT ORGANIZATIONS. (a)
In this section:

(1) "Economic development corporation" means:

(A) a Type A corporation governed by Chapter 504, Local Government Code; and

(B) a Type B corporation governed by Chapter 505 of that code.

(2) "Nonprofit organization" means an organization that is exempt from federal income tax under Section 501(a), Internal Revenue Code of 1986, by being listed as an exempt organization in Section 501(c) of that code. The term includes an economic development corporation.

(3) "Political subdivision" means a county, municipality, or economic development corporation.

(4) "State agency" means a department, commission, board, office, or other entity in the executive, legislative, or judicial branch of state government. The term does not include an

institution of higher education or a university system as defined by Section 61.003, Education Code.

(b) This section applies only to a contract between a nonprofit organization and a political subdivision that has an annual value of more than \$500,000.

(c) This section does not apply to a nonprofit organization that is:

(1) an electric cooperative as defined by Section 11.003, Utilities Code;

(2) an organization certified as an independent organization under Section 39.151, Utilities Code; or

(3) a water supply corporation created and operating under Chapter 67, Water Code.

(d) A nonprofit organization that enters into a contract with a political subdivision shall provide the following information to the political subdivision when the contract is entered into, and shall update the information not later than the 30th day of each fiscal year of the organization until the contract expires:

(1) the organization's operating budget for the current fiscal year; and

(2) the salary of each employee of the organization that exceeds 200 percent of the median salary of state employees.

(e) A political subdivision that maintains an Internet website shall publish and maintain the information received under Subsection (d) on the website.

(f) For the purposes of this section, the comptroller shall

1 determine the median salary paid each state fiscal year from the
2 state treasury to employees of a state agency. The comptroller's
3 determination must be published on the comptroller's Internet
4 website not later than October 1 of each year.

5 (g) The attorney general may bring an action for injunctive
6 relief against a political subdivision or an officer or employee of
7 a political subdivision to enforce this section.

8 SECTION 2. Section 2252.902, Government Code, as added by
9 this Act, applies only to a contract entered into on or after the
10 effective date of this Act.

11 SECTION 3. This Act takes effect September 1, 2025.