

By: Kolkhorst

S.B. No. 504

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the disclosure of certain financial information by  
3 certain nonprofit organizations that enter into sizeable contracts  
4 with political subdivisions.

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

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

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

10 (1) "Economic development corporation" means:

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

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

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

20 (3) "Political subdivision" means a county,  
21 municipality, school district, or other special district or  
22 subdivision of state government.

23 (b) This section applies only to a contract between a  
24 nonprofit organization and a political subdivision that has an

1 annual value of more than \$500,000.

2 (c) A nonprofit organization that enters into a contract  
3 with a political subdivision shall provide the following  
4 information to the political subdivision when the contract is  
5 entered into, and shall update the information not later than the  
6 30th day of each fiscal year of the organization until the contract  
7 expires:

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

10 (2) the salary of each employee of the organization  
11 that exceeds the median salary of state employees.

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

15 (e) For the purposes of this section, the comptroller shall  
16 determine the median salary of state employees each state fiscal  
17 year. The comptroller's determination must be published on the  
18 comptroller's Internet website not later than October 1 of each  
19 year.

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

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