

1-1 By: Huffines, Hall, Taylor of Collin S.B. No. 1122  
 1-2 (In the Senate - Filed February 28, 2017; March 7, 2017,  
 1-3 read first time and referred to Committee on Education;  
 1-4 April 26, 2017, reported adversely, with favorable Committee  
 1-5 Substitute by the following vote: Yeas 9, Nays 1; April 26, 2017,  
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Taylor of Galveston	X			
1-9 Lucio	X			
1-10 Bettencourt	X			
1-11 Campbell	X			
1-12 Hall	X			
1-13 Huffines	X			
1-14 Hughes	X			
1-15 Seliger	X			
1-16 Taylor of Collin	X			
1-17 Uresti		X		
1-18 West			X	

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 1122 By: Huffines

1-21 A BILL TO BE ENTITLED  
 1-22 AN ACT

1-23 relating to abolishing certain county boards of education, boards  
 1-24 of county school trustees, and offices of county school  
 1-25 superintendent.

1-26 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-27 SECTION 1. (a) Each county board of education, board of  
 1-28 county school trustees, and office of county school superintendent  
 1-29 in a county with a population of 2.2 million or more and that is  
 1-30 adjacent to a county with a population of more than 800,000 is  
 1-31 abolished effective September 1, 2017.

1-32 (b) Not later than September 1, 2017, a dissolution  
 1-33 committee shall be formed for each county board of education or  
 1-34 board of county school trustees to be abolished as provided by  
 1-35 Subsection (a) of this section. The dissolution committee is  
 1-36 responsible for all financial decisions for each county board of  
 1-37 education or board of county school trustees abolished by this Act,  
 1-38 including asset distribution and payment of all debt obligations.

1-39 (c) A dissolution committee required by this Act shall be  
 1-40 appointed by the comptroller and include:

- 1-41 (1) one financial advisor;
- 1-42 (2) the superintendent of the participating component  
 1-43 school district with the largest number of students in average  
 1-44 daily attendance or the superintendent's designee;
- 1-45 (3) one certified public accountant;
- 1-46 (4) one auditor who holds a license or other  
 1-47 professional credential; and
- 1-48 (5) one bond counsel who holds a license or other  
 1-49 professional credential.

1-50 (d) A dissolution committee created under this Act is  
 1-51 subject to the open meetings requirements under Chapter 551,  
 1-52 Government Code, and public information requirements under Chapter  
 1-53 552, Government Code.

1-54 (e) Members of a dissolution committee may not receive  
 1-55 compensation but are entitled to reimbursement for actual and  
 1-56 necessary expenses incurred in performing the functions of the  
 1-57 dissolution committee.

1-58 (f) Subject to the other requirements of this Act, the  
 1-59 dissolution committee shall determine the manner in which all  
 1-60 assets, liabilities, contracts, and services of the county board of

2-1 education or board of county school trustees abolished by this Act  
 2-2 are divided, transferred, or discontinued. The dissolution  
 2-3 committee shall create a sinking fund to deposit all money received  
 2-4 in the abolishment of each county board of education or board of  
 2-5 county school trustees for the payment of all debts of the county  
 2-6 board of education or board of county school trustees.

2-7 (g) The dissolution committee shall continue providing  
 2-8 transportation services to participating component school  
 2-9 districts for the 2017-2018 school year. The dissolution committee  
 2-10 shall maintain current operations and personnel needed to provide  
 2-11 the transportation services.

2-12 (h) At the end of the 2017-2018 school year all school  
 2-13 buses, vehicles, and bus service centers shall be transferred to  
 2-14 participating component school districts in proportionate shares  
 2-15 equal to the proportion that the membership in each district bears  
 2-16 to total membership in the county as of September 1, 2018, at no  
 2-17 cost to the districts.

2-18 (i) The dissolution committee may employ for the 2017-2018  
 2-19 school year one person to assist in the abolishment of the county  
 2-20 board of education or board of county school trustees.

2-21 (j) On September 1, 2017, the participating component  
 2-22 school district with the largest number of students in average  
 2-23 daily attendance has the right of first refusal to buy, at fair  
 2-24 market value, the administrative building of the county board of  
 2-25 education or board of county school trustees.

2-26 (k) An ad valorem tax assessed by a county board of  
 2-27 education or board of county school trustees shall continue to be  
 2-28 assessed by the county on behalf of the board for the purpose of  
 2-29 paying the principal of and interest on any bonds issued by the  
 2-30 county board of education or board of county school trustees until  
 2-31 all bonds are paid in full. This subsection applies only to a bond  
 2-32 issued before the effective date of this Act for which the tax  
 2-33 receipts were obligated. On payment of all bonds issued by the  
 2-34 county board of education or board of county school trustees the ad  
 2-35 valorem tax may not be assessed.

2-36 (l) In the manner provided by rule of the commissioner of  
 2-37 education, the county shall collect and use any delinquent taxes  
 2-38 imposed by or on behalf of the county board of education or board of  
 2-39 county school trustees.

2-40 (m) The dissolution committee shall distribute the assets  
 2-41 remaining after discharge of the liabilities of the county board of  
 2-42 education or board of county school trustees to the component  
 2-43 school districts in the county in proportionate shares equal to the  
 2-44 proportion that the membership in each district bears to total  
 2-45 membership in the county as of September 1, 2017. The dissolution  
 2-46 committee shall liquidate board assets as necessary to discharge  
 2-47 board liabilities and facilitate the distribution of assets. A  
 2-48 person authorized by the dissolution committee shall execute any  
 2-49 documents necessary to complete the transfer of assets,  
 2-50 liabilities, or contracts.

2-51 (n) The dissolution committee shall encourage the component  
 2-52 school districts to:

2-53 (1) continue sharing services received through the  
 2-54 county board of education or board of county school trustees; and

2-55 (2) give preference to private sector contractors to  
 2-56 continue services provided by the county board of education or  
 2-57 board of county school trustees.

2-58 (o) The chief financial officer and financial advisor for  
 2-59 the county board of education or board of county school trustees  
 2-60 shall provide assistance to the dissolution committee in abolishing  
 2-61 the county board of education or board of county school trustees.

2-62 (p) The Texas Education Agency shall provide assistance to a  
 2-63 dissolution committee in the distribution of assets, liabilities,  
 2-64 contracts, and services of a county board of education or board of  
 2-65 county school trustees abolished by this Act.

2-66 (q) Any dissolution committee created as provided by this  
 2-67 Act is abolished on the date all debt obligations of the county  
 2-68 board of education or board of county school trustees are paid in  
 2-69 full and all assets distributed to component school districts.

3-1 SECTION 2. Chapter 266 (S.B. 394), Acts of the 40th  
3-2 Legislature, Regular Session, 1927 (Article 2700a, Vernon's Texas  
3-3 Civil Statutes), is repealed.

3-4 SECTION 3. This Act takes effect September 1, 2017.

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