

1-1 By: Kolkhorst, Middleton S.B. No. 504
1-2 (In the Senate - Filed November 25, 2024; February 3, 2025,
1-3 read first time and referred to Committee on Business & Commerce;
1-4 March 13, 2025, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 10, Nays 0; March 13, 2025,
1-6 sent to printer.)

1-7	COMMITTEE VOTE				
1-8		Yea	Nay	Absent	PNV
1-9	Schwertner	X			
1-10	King	X			
1-11	Blanco	X			
1-12	Campbell	X			
1-13	Creighton	X			
1-14	Johnson	X			
1-15	Kolkhorst	X			
1-16	Menéndez	X			
1-17	Middleton	X			
1-18	Nichols			X	
1-19	Zaffirini	X			

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 504 By: King

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

1-23 relating to the disclosure of certain financial information by
1-24 certain nonprofit organizations that enter into sizeable contracts
1-25 with political subdivisions.
1-26 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-27 SECTION 1. Subchapter [Z](#), Chapter [2252](#), Government Code, is
1-28 amended by adding Section 2252.902 to read as follows:
1-29 Sec. 2252.902. CONTRACTS WITH NONPROFIT ORGANIZATIONS. (a)
1-30 In this section:
1-31 (1) "Economic development corporation" means:
1-32 (A) a Type A corporation governed by Chapter [504](#),
1-33 Local Government Code; and
1-34 (B) a Type B corporation governed by Chapter 505
1-35 of that code.
1-36 (2) "Nonprofit organization" means an organization
1-37 that is exempt from federal income tax under Section 501(a),
1-38 Internal Revenue Code of 1986, by being listed as an exempt
1-39 organization in Section 501(c) of that code. The term includes an
1-40 economic development corporation.
1-41 (3) "Political subdivision" means a county,
1-42 municipality, or economic development corporation.
1-43 (4) "State agency" means a department, commission,
1-44 board, office, or other entity in the executive, legislative, or
1-45 judicial branch of state government. The term does not include an
1-46 institution of higher education or a university system as defined
1-47 by Section [61.003](#), Education Code.
1-48 (b) This section applies only to a contract between a
1-49 nonprofit organization and a political subdivision that has an
1-50 annual value of more than \$500,000.
1-51 (c) This section does not apply to a nonprofit organization
1-52 that is:
1-53 (1) an electric cooperative as defined by Section
1-54 [11.003](#), Utilities Code;
1-55 (2) an organization certified as an independent
1-56 organization under Section [39.151](#), Utilities Code; or
1-57 (3) a water supply corporation created and operating
1-58 under Chapter [67](#), Water Code.
1-59 (d) A nonprofit organization that enters into a contract
1-60 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 determine the median salary paid each state fiscal year from the state treasury to employees of a state agency. The comptroller's determination must be published on the comptroller's Internet website not later than October 1 of each year.

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

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

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

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