

BILL ANALYSIS

Senate Research Center

C.S.S.B. 616
By: Sibley
Education
3-6-97
Committee Report (Substituted)

DIGEST

Currently, a corporation's representatives are prohibited from certain actions. These prohibitions may limit a representative's ability to recruit senior personnel and in some instances, contracts with major investment service providers may be voided. This bill defines the acts in which a representative of a corporation is prohibited from participating by defining the intent of the participation.

PURPOSE

As proposed, C.S.S.B. 616 defines the acts in which a representative of a corporation is prohibited from participating by defining the intent of the participation.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 66.08, Education Code, by amending Subsections (i), and adding new Subsections (l) - (n), and redesignating existing Subsection (l) as Subsection (o). Deletes the prohibition that a nonprofit corporation (corporation) may not enter into an agreement with certain persons or business entities of the corporation on or before certain dates. Prohibits a former director of a corporation from making appearances before certain persons by a certain date under certain circumstances. Prohibits a former officer or employee of a corporation from representing any person or receiving compensation for services rendered for certain matters. Provides that an individual commits a Class A misdemeanor, if the individual violates Subsection (l) or (m) of this section. Defines "participated," and "particular matter." Makes conforming changes.

SECTION 2. Emergency clause.
Effective date: upon passage.

SUMMARY OF COMMITTEE CHANGES

Amends the proposed relating clause.

Amends SECTION 1, Section 66.08, Education Code, to delete Subsections (j) and (k), which made no changes in the proposed version, from the committee substitute. Redesignates the definitions of "participated" and "particular matter" originally contained in proposed Subsection (m) to new Subsection (o). Makes conforming and nonsubstantive changes.