

BILL ANALYSIS

Senate Research Center

S.B. 687
By: West, Royce
Education
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As Filed

DIGEST AND PURPOSE

Currently, the Public Utility Regulatory Act provides that groups of customers, including school districts and other local government entities, may aggregate their electricity usage and seek electric service from a retail provider for the aggregated electric load. The Education Code does not explicitly list political subdivision corporations as a method for school districts to procure contracts valued at \$25,000 or more for the purchase of electricity, and the attorney general concludes that school districts are prohibited from participating in such arrangements. As proposed, S.B. 687 amends the Education Code to include political subdivision corporations as an additional method for school districts to receive the best value on contracts valued at \$25,000 or more.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 44.031(a), Education Code, to require all school district contracts, except contracts for the purchase of produce or vehicle fuel, valued at \$25,000 or more in the aggregate for each 12-month period to be made by the method that provides the best value for the district, including the formation of a political subdivision corporation under Section 304.001, Local Government Code.

SECTION 2. Amends Section 304.001(a), Local Government Code, to redefine "political subdivision" to include a school district.

SECTION 3. Effective date: upon passage or September 1, 2003.