

## **BILL ANALYSIS**

S.B. 687  
By: West  
Public Education  
Committee Report (Unamended)

### **BACKGROUND 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. 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**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, institution, or agency.

### **ANALYSIS**

S. B. 687 amends the 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.

The bill amends the Local Government Code to redefine "political subdivision" to include a school district.

### **EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.