

BILL ANALYSIS

S.B. 1393
By: Seliger
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties contend that while the Public Property Finance Act may allow a governmental entity to finance a purchase of certain personal property, uncertainty as to whether electricity meets the definition of personal property has caused the attorney general to reject certain contracts by political subdivisions wishing to issue debt to pay for long-term electricity needs. The parties contend that, as a result, a political subdivision seeking such a contract may be required to seek a bond validation suit, which can be prohibitively expensive. S.B. 1393 seeks to address this issue.

RULEMAKING AUTHORITY

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

ANALYSIS

S.B. 1393 amends the Local Government Code to specify, for purposes of the Public Property Finance Act, that the term "personal property" includes electricity.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.