

BILL ANALYSIS

Senate Research Center
87R17368 NC-D

C.S.S.B. 58
By: Zaffirini
Local Government
4/22/2021
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Public Property Finance Act authorizes governmental entities to finance purchases of personal property, defined as "appliances, equipment, facilities, and furnishings, or an interest in personal property, whether movable or fixed, considered by the governing body of the governmental agency to be necessary, useful, or appropriate to one or more purposes of the governmental agency." The definition also includes electricity, for example, which is necessary to use the above listed equipment.

Cloud computing, which offers on-demand availability of computing services like processing and storage without direct active management by the user, has grown rapidly in popularity as a more responsive, efficient, and secure alternative to traditional computing. As currently constructed, however, the Public Property Finance Act does not allow government entities to finance the purchase of cloud computing services, a vital support (not unlike electricity) to the computer hardware they are allowed to finance.

S.B. 58 would authorize government entities to finance the purchase of cloud computing services via the Public Property Finance Act, which would greatly expand access to these services and the improved service delivery, reduced maintenance, and enhanced cybersecurity they offer.

(Original Author's / Sponsor's Statement of Intent)

C.S.S.B. 58 amends current law relating to purchasing of cloud computing services by a political subdivision.

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 271.003(8), Local Government Code, to redefine "personal property," for purposes of Subchapter A (Public Property Finance Act), Chapter 271 (Purchasing and Contracting Authority of Municipalities, Counties, and Certain Other Local Governments), Local Government Code, to include cloud computing services.

SECTION 2. Provides that it is the intent of the legislature that the definition of the term "personal property" under Section 271.003(8), Local Government Code, as amended by this Act, is applicable only to Subchapter A, Chapter 271, Local Government Code.

SECTION 3. Effective date: upon passage or September 1, 2021.