

BILL ANALYSIS

Senate Research Center

S.B. 395
By: Gallegos
Intergovernmental Relations
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As Filed

DIGEST

Currently, a nonprofit corporation that is created and operated to provide governmental functions and services is not included in the definition of a "political subdivision." Unless a political subdivision of a municipality is specifically authorized to contract with a nonprofit corporation to provide services, a nonprofit corporation is not authorized to contract with local governments to jointly receive funds or to provide services, such as joint purchasing activities. This bill includes a nonprofit corporation that is created and operated to provide governmental functions and services in the definition of "political subdivision."

PURPOSE

As proposed, S.B. 395 includes a nonprofit corporation that is created and operated to provide governmental functions and services in the definition of "political subdivision."

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 791.003(5), Government Code, to define "political subdivision" as any corporate and political entity organized under state law, including a nonprofit corporation that is created and operated to provide one or more governmental functions and services.

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