

**BILL ANALYSIS**

Senate Research Center  
80R5395 JLL-D

S.B. 515  
By: Janek  
Business & Commerce  
3/24/2007  
As Filed

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The 71<sup>st</sup> Legislature, Regular Session, 1989, enacted Chapter 301 (Cooperative Associations), Health and Safety Code, enabling certain tax-exempt, health-related institutions to create cooperative associations and set forth regulations regarding those associations' functions. Under current law, cooperative associations created by health-related institutions operate for the sole benefit of those institutions and are not authorized to provide any services, such as heating and cooling, to other entities.

As proposed, S.B. 515 authorizes cooperative associations to provide central heating and cooling services to persons other than eligible institutions and to determine the amount to be charged for such services.

**RULEMAKING AUTHORITY**

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

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 301.038, Health and Safety Code, as follows:

Sec. 301.038. New heading: PROVISION OF SERVICES; COSTS. (a) Creates this subsection from existing text.

(b) Authorizes a cooperative association to provide services, from a system central heating and cooling services, including steam and heated and chilled water supply, to persons other than eligible institutions and to determine the amount to be charged for providing the services, notwithstanding Sections 301.032 (Creation of Cooperative Association) and 301.037 (Powers of Cooperative Association), Health and Safety Code.

SECTION 2. Effective date: upon passage or September 1, 2007.