

BILL ANALYSIS

Senate Research Center
83R6982 DDT-F

S.B. 795
By: Lucio
Intergovernmental Relations
3/25/2013
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 2012, the City of Brownsville established a gas utility system as authorized by state law and its local charter. However, the charter provides for a seven-member utilities board to manage the city's electric, water, and wastewater system while state law calls for a five-member board. The purpose of S.B. 795 is to conform state law to authorize the existing utilities board to manage the gas utility system (versus creating a new five-member board).

The bill also clarifies that the board may enter into power purchase agreements to satisfy power supply requirements of its ratepayers. This is necessary because while the charter clearly vests all the power to manage the utilities with the board, the charter is silent as to the express authority of the board to enter into power purchase agreements. The purpose of S.B. 795 is to provide clarity with regards to the board's authority to enter into power purchase agreements.

As proposed, S.B. 795 amends current law relating to the composition and powers of a governing body in certain municipalities.

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 1502.070(a), Government Code, as follows:

(a) Authorizes management and control of a utility system to be vested in:

(1) Makes no change to this subdivision; or

(2) a board of trustees named in the proceedings adopted by the municipality and consisting of not more than:

(A)-(B) Makes no changes to these subchapters; or

(C) seven members, one of whom is required to be the mayor of the municipality, if the municipality is located in a county with a population of at least 375,000, that is located on an international border, and that borders the Gulf of Mexico.

SECTION 2. Amends Subchapter Z, Chapter 552, by adding Section 552.914, as follows:

Sec. 552.914. UTILITY CONTRACTS FOR CERTAIN MUNICIPALITIES. (a) Defines "utility system" in this section.

(b) Provides that this section applies only to a municipality described by Section 1502.070(a)(2)(C), Government Code.

(c) Authorizes the governing body, board of trustees, or other entity vested with the management and control of the municipality's utility system, notwithstanding any limitation provided by a home rule charter, to contract for the purchase of electricity under terms the governing body, board of trustees, or other entity considers appropriate.

SECTION 3. Effective date: upon passage or September 1, 2013.