

## **BILL ANALYSIS**

Senate Research Center

S.B. 504  
By: Davis  
Business & Commerce  
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As Filed

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

Current law grants institutions of higher education a 20 percent discount on their electric utility rates. This law has been in existence since 1995. Current law also provides that the discount provided to institutions of higher education cannot be passed on to non-education customers by investor-owned electricity utilities and creates an exception to the discount if the 20 percent discount would be more than one percent of a electric utility's annual revenue.

S.B. 504 amends Section 36.351, Utilities Code, to provide a 20 percent discount on electric utilities to all independent school districts and open-enrollment charter schools.

As proposed, S.B. 504 amends current law relating to discounted utility rates for school districts.

### **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 the heading to Section 36.351, Utilities Code, to read as follows:

Sec. 36.351. DISCOUNTED RATES FOR CERTAIN INSTITUTIONS OF HIGHER EDUCATION, SCHOOL DISTRICTS, AND OPEN-ENROLLMENT CHARTER SCHOOLS.

SECTION 2. Amends Sections 36.351(a) and (f), Utilities Code, as follows:

(a) Requires each electric utility and municipality owned utility, notwithstanding any other provision of this title, to discount charges for electric service provided to a facility of a four-year state university, upper-level institution, Texas State Technical College, college, school district, or open-enrollment charter school.

(f) Prohibits an investor-owned electric utility from recovering from residential customers or any other customer class the assigned and allocated costs of serving a state university, college, school district, or open-enrollment charter school that receives a discount under this section.

SECTION 3. Effective date: September 1, 2011.