

BILL ANALYSIS

Senate Research Center
79R5501 MCK-D

S.B. 1243
By: Carona
State Affairs
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As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Current Texas law does not authorize a public body to consider the public advantages of employers providing health insurance. Texas has the highest number of uninsured residents. This legislation seeks to leverage public funds spent on construction projects to encourage the private sector to provide insurance benefits as part of their employment package.

As proposed, S.B. 1243 requires a preference, in dealing with construction projects funded with public funds, to private sector employers bidding on a project that provide health insurance to their employees. It provides a preference, as long as the contractor's bid is within 107 percent of the lowest bid.

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 Subchapter F, Chapter 2166, Government Code, by adding Section 2166.2527, as follows:

Sec. 2166.2527. PREFERENCE FOR VENDORS THAT PROVIDE HEALTH BENEFITS COVERAGE. (a) Requires the Texas Building and Procurement Commission (commission) to give preference to a contractor that provides health benefits coverage that is at least equivalent to basic coverage provided under the state employees group benefit program provided under Chapter 1551 (Texas Employees Group Benefits Act), Insurance Code, to each full-time employee and the employee's family.

(b) Requires the contractor to pay a minimum of 75 percent of the health insurance premiums for each full-time employee participating in the insurance program, including their participating dependents.

(c) Requires the commission to give preference to a contractor who meets the health insurance requirements of this section over any other contractor not meeting the requirements of this section, if the contractor's bid does not exceed 107 percent of the bid of a contractor that does not provide the insurance coverage required by this section.

(d) Requires the contract awarded to a contractor using the preference under this section to include terms to allow the commission to terminate the contract if the contractor, at any time during the life of the contract, fails to maintain required insurance coverage and requires the contractor to use the preference described by this section when awarding a subcontract under the contract.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2005.