BILL ANALYSIS

Senate Research Center
79R6802 MFC-D

S.B. 818
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S/C on Emerging Technologies & Economic Development
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As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

To increase economic development and growth in Texas, authorized entities provide tax abatements. Unfortunately, many of the businesses that receive these tax abatements are not passing their savings on to their employees by offering health insurance. Across Texas and the country, there has been a steady increase in the number and percentage of the population who lack health insurance. The cost for providing health services to this uninsured population is falling on state government, through the Medicaid and Children's Health Insurance Program; local county taxpayers; and private businesses that help finance health insurance for their employees and their employees' families.

As proposed, S.B. 818 requires a private business seeking a tax abatement to provide health insurance to their full-time employees and those employees' dependents.

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 312.205(a), Tax Code, as follows:

(a) Includes providing for recapturing all or a specified portion of the property tax revenue lost as a result of the agreement if the owner of the property fails to provide to the persons employed on the property as full-time employees and the dependents of those employees a health benefit plan that provides at least the benefits provided to state employees in accordance with Chapter 1551, Insurance Code (Texas Employees Group Benefits Act), as a required function of an agreement made under Section 312.204 (Municipal Tax Abatement Agreement) or 312.211 (Agreement by Municipality Relating to Property Subject to Voluntary Cleanup Agreement), Tax Code.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2005.