

## **BILL ANALYSIS**

Senate Research Center  
77R4280 MI-F

H.B. 1254  
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Intergovernmental Relations  
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Engrossed

### **DIGEST AND PURPOSE**

Under current law, only employees and officials of political subdivisions are covered under the uniform group insurance benefits program. H.B. 1254 extends the uniform group insurance benefits program to employees of affiliated service contractors.

### **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 172.002, Local Government Code, to provide that included in the purpose of this chapter is the recognition of the service to political subdivisions by employees of affiliated service contractors by extending to them the same accident and health benefits coverages as are provided for political subdivision employees.

SECTION 2. Amends Section 172.003, Local Government Code, to define “affiliated service contractor.”

SECTION 3. Amends Sections 172.004(a) and (c), Local Government Code, as follows:

(a) Modifies a statutory reference. Provides that a political subdivision or a group of political subdivisions, under the Interlocal Cooperation Act, is authorized to provide health and accident coverage to employees of affiliated service contractors.

(c) Makes a conforming change.

SECTION 4. Amends Sections 172.005(a) and (b), Local Government Code, to modify a statutory reference and to make conforming changes.

SECTION 5. Amends Section 172.013(b), Local Government Code, to prohibit a political subdivision from paying any part of the contributions for coverage for employees of affiliated service contractors or their dependents.

SECTION 6. Amends Chapter 172, Local Government Code, by adding Section 172.016, as follows:

Sec. 172.016. STATUS OF AFFILIATED SERVICE CONTRACTORS. Provides that inclusion of the employees of affiliated service contractors in the uniform group benefits program authorized by this chapter does not, for any purpose: make an affiliated service contractor a political subdivision or a division of a political subdivision; or make an employee of an affiliated service contractor an employee of a political subdivision or a division of a political

subdivision.

SECTION 7. Effective date: September 1, 2001.