

BILL ANALYSIS

Senate Research Center
80R8109 JD-D

S.B. 1002
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S/C on Emerging Technologies & Economic Dev.
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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 without health insurance. The cost for providing health services to this uninsured population is falling on the state government through Medicaid and Children's Health Insurance Program, local county taxpayers, and private businesses that help finance their employees and their employee's families health insurance. However, many businesses have chosen not to purchase health insurance or have found it too expensive to do so. At the state level, more can be done to encourage businesses and their employees to acquire health insurance.

As proposed, S.B. 1002 requires businesses that seek to acquire a tax abatement to provide health insurance to full-time employees.

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, to require 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) to provide 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 a health benefit plan to full-time employees and their dependents.

SECTION 2. Makes the application of this Act prospective.

SECTION 3. Effective date: September 1, 2007.