

BILL ANALYSIS

Senate Research Center
80R8967 MCK-D

S.B. 1221
By: Carona
State Affairs
3/19/2007
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas has the highest number of uninsured residents in the nation, yet current law does not authorize a public body to leverage public funds to encourage construction businesses to provide health insurance coverage to their employees.

As proposed, S.B. 1221 requires that preference be given to private sector contractors that provide health insurance coverage to their employees in awarding contracts for publicly funded construction projects, with certain limitations.

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 to its full-time employees and their families that is equivalent to basic coverage provided under the state employees group benefit program under Chapter 1551 (Texas Employees Group Benefits Act), Insurance Code.

(b) Requires a contractor to pay at least 75 percent of the health insurance premiums for its full-time employees who participate in the insurance program and at least 75 percent of the premiums of the dependents of full-time employees who elect to utilize dependent coverage under the insurance program in order to qualify for the preference under this section.

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

(d) Requires a contract awarded to a contractor using preference under this section to include certain terms set forth in this subsection.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2007.