

SUBJECT: Insurance eligibility for organizations affiliated with political subdivisions

COMMITTEE: Urban Affairs — favorable, without amendment

VOTE: 7 ayes — Talton, Wong, A. Allen, Bailey, Blake, Menendez, Rodriguez

0 nays

SENATE VOTE: On final passage, April 14 — 31-0, on Local and Uncontested Calendar

WITNESSES: For — Arthur Roberts, Texas Association of Business, Texas Chamber of Commerce Executives

Against — None

BACKGROUND: Local Government Code, ch. 172, allows an individual or group of political subdivisions to offer health and accident coverage directly or through a risk pool to subdivision officials, employees, and retirees or any class of officials, employees, or retirees, and employees of affiliated service contractors. An affiliated service contractor is a nonprofit organization that provides governmental or quasi-governmental services on behalf of a political subdivision and derives more than 50 percent of its gross revenues from grants or funding from the political subdivision.

DIGEST: SB 787 would revise the definition of an affiliated service contractor to specify that these entities receive 25 percent of gross revenues from grants or funding from the political subdivision.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2005.