

## **BILL ANALYSIS**

Senate Research Center  
76R8531 T

H.B. 2434  
By: Uher (Moncrief)  
Intergovernmental Relations  
5/10/1999  
Engrossed

### **DIGEST**

Currently, Texas law authorizes the establishment of economic development corporations (EDC). An EDC is closely connected to the city, county, or district (unit) in which it is formed. An EDC provides insurance coverage to its employees separate from the unit and, because the EDC is a small employer, insurance coverage is more expensive than that of the unit. This bill would authorize an EDC, with the consent of the unit, to obtain insurance coverage for its employees and their dependants under the unit's insurance coverage.

### **PURPOSE**

As proposed, H.B. 2434 authorizes certain coverages to be extended to corporations created by certain political subdivisions under this Act.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 23, Article 5190.6, V.T.C.S. (Development Corporation Act of 1979), by adding Subsection (c), to authorize any corporation created by a unit under this Act, with the consent of the unit, to obtain health benefits coverage, liability coverage, workers' compensation coverage, and property coverage under the unit's insurance policies, self-funded coverage, or coverage provided under an Interlocal Agreement with other political subdivisions. Authorizes health benefits coverage to be extended to the corporation's directors, employees and their dependants. Authorizes workers' compensation benefits to be extended to the corporation's directors, employees, and volunteers. Authorizes liability coverage to be extended to protect the corporation and its directors and employees.

SECTION 2. Emergency clause.  
Effective date: upon passage.