

BILL ANALYSIS

S.B. 787
By: Williams
Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Local Government Code authorizes a political subdivision to extend the same accident and health benefits coverage to employees of affiliated service contractors, such as a chamber of commerce, as are provided for political subdivision employees. Currently, chambers of commerce and other not-for-profit agencies must receive 50 percent of their revenue from political subdivision contracts to participate in the risk pool.

As proposed, S.B. 787 allows chambers of commerce and other not-for-profit agencies that receive 25 percent or more of their revenue from political subdivision contract to join a political subdivision risk pool.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

Amends the definition of an "Affiliated service contractor" in Section 172.003, Local Government Code, to require that the organization under this definition derive at least 25 percent of its gross revenues from grants of funding from the political subdivision rather than the current requirement of 50 percent.

EFFECTIVE DATE

This Act takes effect September 1, 2005 or immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution.