

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**April 24, 2005**

**TO:** Honorable Robert Duncan, Chair, Senate Committee on State Affairs

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: SB1355** by West, Royce (Relating to requiring a contractor to provide health insurance to its employees as a condition of eligibility for the award of certain state contracts.), **As Introduced**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would prohibit state agencies from awarding contracts for goods and services to vendors that do not provide health benefits coverage to their employees. The Texas Building and Procurement Commission would need to revise agency rules, revise contract management guidelines, and revise other procurement forms developed by the agency. It is assumed that these additional duties and responsibilities associated with implementing the provisions of the bill could be absorbed within existing state resources.

The bill would take effect on September 1, 2005.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 302 Office of the Attorney General, 303 Building and Procurement Commission, 405 Department of Public Safety, 601 Department of Transportation

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