

By: Alvarado

H.B. No. 3877

A BILL TO BE ENTITLED

AN ACT

relating to requiring contractors in certain state construction contracts to provide health benefits to employees.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter F, Chapter 2166, Government Code, is amended by adding Section 2166.2527 to read as follows:

Sec. 2166.2527. HEALTH BENEFITS COVERAGE REQUIRED FOR LARGE CONTRACTS. (a) In this section:

(1) "Covered employee" means an employee of the contractor or a subcontractor, including a contract laborer, who:

(A) is 18 years of age or older;

(B) works at least 30 hours per week; and

(C) works any amount of time on the project that is the subject of a major construction contract.

(2) "Major construction contract" means a construction contract with a value of \$1 million or more.

(b) A contractor who enters into a major construction contract with the commission must:

(1) provide health benefits coverage that is at least equivalent to basic coverage provided under the state employees group benefits program provided under Chapter 1551, Insurance Code, to each covered employee; or

(2) contribute to the health opportunity pool under Subchapter N, Chapter 531, \$1.00 for every hour worked by a covered

1 employee on the project that is the subject of the major
2 construction contract.

3 (c) If a contractor provides health benefits coverage under
4 Subsection (b)(1), the contractor must pay not less than \$150 per
5 month for the health insurance premiums for each covered employee
6 and the employee's contribution for the cost of the health benefits
7 coverage may not exceed 50 percent of the cost of the premiums.

8 (d) A subcontractor of the contractor under a major
9 construction contract must comply with the requirements of
10 Subsection (b).

11 (e) The commission may perform monthly audits of a
12 contractor to ensure compliance with the requirements of this
13 section.

14 (f) A major construction contract must include terms that
15 allow the commission to terminate the contract if the contractor,
16 or a subcontractor of the contractor, at any time during the life of
17 the contract fails to comply with the requirements of this section.

18 SECTION 2. Section 2166.2527, Government Code, as added by
19 this Act, applies only to a building construction contract for
20 which the solicitation of bids or proposals, request for proposals,
21 or similar required notification as to the project is published on
22 or after September 1, 2009. A building construction contract for
23 which the solicitation of bids or proposals, request for proposals,
24 or similar required notification as to the project is published
25 before September 1, 2009, is governed by the law in effect at the
26 time the solicitation, request, or notification is published, and
27 that law is continued in effect for that purpose.

1 SECTION 3. This Act takes effect September 1, 2009.