

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 16, 2009

TO: Honorable Burt R. Solomons, Chair, House Committee on State Affairs

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

IN RE: HB1246 by Davis, John (Relating to the provision of a preference in certain governmental purchasing decisions for vendors or contractors that provide health care benefits or equivalent health savings benefits to employees.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would require that state agencies and school districts consider whether a vendor provides at least 50 percent of the premium for health care benefits or equivalent health savings account benefits to its employees when awarding a contract for goods or services and to allow state agencies and school districts to give preference to those vendors if the cost of those goods and services does not exceed the cost of similar goods or services offered by vendors that don't provide health care benefits to its employees.

The agencies contacted indicate that any costs associated with the bill, including costs to update purchasing policies and guides, could be absorbed within existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated to implement the provisions of the bill. However, the preferences may result in higher contract costs for a school district, a municipality, or a county.

Source Agencies: 303 Facilities Commission, 304 Comptroller of Public Accounts, 313 Department of Information Resources, 362 Texas Lottery Commission, 405 Department of Public Safety, 476 Racing Commission, 507 Texas Board of Nursing, 513 Funeral Service Commission, 529 Health and Human Services Commission, 551 Department of Agriculture, 582 Commission on Environmental Quality, 601 Department of Transportation, 694 Youth Commission, 696 Department of Criminal Justice, 701 Central Education Agency, 802 Parks and Wildlife Department, 809 Preservation Board

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