

BILL ANALYSIS

Senate Research Center

H.B. 567
By: Oliveira (Ellis)
Economic Development
4-23-97
Engrossed

DIGEST

Currently, the Texas Workforce Commission (commission) periodically reviews the Texas Unemployment Compensation Act (TUCA) for needed updates, revisions, and deletions. This bill is the result of recommendations made by the departments of the commission which administer the unemployment compensation and tax programs following a comprehensive review of the unemployment compensation and taxing provisions of TUCA. H.B. 567 deletes obsolete taxable wage amounts and a reference to an obsolete provision of the Internal Revenue Code. It allows money in the special administration fund to be spent to enforce child labor, payment of wages, minimum wage law, and to pay for privatizing certain tax collections. This legislation also increases the period for protesting an initial claim for benefits to 14 days; allows a claim examiner to correct clerical and machine errors; makes the collateral estoppel doctrine inapplicable to all findings, judgments, or orders under TUCA; suspends the statute of limitations in certain situations; allows the commission to pay the cost of abstracting a notice of assessment and add it to the amount due under the assessment; and simplifies the levy provisions of TUCA.

PURPOSE

As proposed, H.B. 567 establishes the operation and administration of the state unemployment compensation system.

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 201.082, Labor Code, to redefine "wages."

SECTION 2. Amends Section 203.202(a), Labor Code, to delete a provision that money in the special administration fund be spent and used in the administration as provided by Section 203.103, Labor Code. Authorizes money in the special administration fund to be spent and used to pay persons who contract to collect delinquent unemployment taxes, penalties, and interest owed under this subtitle.

SECTION 3. Amends Section 208.003, Labor Code, as follows:

Sec. 208.003. New heading: NOTICE TO EMPLOYER. Makes conforming changes.

SECTION 4. Amends Section 208.004(b), Labor Code, to provide that a person waives all rights in connection with a claim under Chapter 204B, Labor Code, for not delivering notification within 14, rather than 12 days, after a certain date.

SECTION 5. Amends Section 212.054(a), to authorize an examiner to issue a redetermination to correct a clerical or machine error at any time during a claimant's benefit year. Makes a conforming change.

SECTION 6. Amends Section 213.007, Labor Code, to delete the provision establishing that certain findings made regarding a claim for benefits under this subtitle are not binding and may not be used

as evidence in an action or proceeding.

SECTION 7. Amends Section 213.033, Labor Code, to prohibit the Texas Workforce Commission (commission) from beginning an action in civil court to collect interest under certain conditions. Sets forth proceedings which suspend the running of the limitations period prescribed under Subsection (a). Provides that the limitations period resumes after a proceeding under Subsection (b) is concluded.

SECTION 8. Amends Section 213.036, Labor Code, as follows:

Sec. 213.036. New heading: ABSTRACT OF JUDGMENT; ABSTRACT OF ASSESSMENT; FEE; RELEASE. Requires the commission to pay the fee for filing and recording an abstract of an assessment against an employer for a contribution, a penalty, or interest by warrant to certain persons. Requires the amount of the fee paid to be added to the amount due under the judgment or assessment. Makes conforming changes.

SECTION 9. Amends Section 213.054, Labor Code, to provide that any contribution, penalty, interest, or court cost owed by an employer, rather than only those penalties or costs owed under a final court judgment, is a debt owed to the state under Section 403.055, Government Code.

SECTION 10. Amends Sections 213.059(a), (e), (g), and (h), Labor Code, to delete a provision authorizing the commission to notify certain persons by registered mail. Provides that certain notices are effective if delivered or mailed to the principal or any branch office, including any office of the bank at which the deposit is carried or the credit or property is held. Deletes existing provisions regarding notices which are not effective. Provides that at any time during the 60-day period, rather than the last 45 days of the 60-day period, described in Subsection (d), the commission is authorized to levy on the asset or debt by delivery of a notice of levy. Provides that a notice under this section is effective against certain property, credits, and debts that come into the possession or control of the person served with the notice within the 60-day period described by Subsection (d).

SECTION 11. Effective date: September 1, 1997.
Makes application of this Act prospective.

SECTION 12. Emergency clause.