

## **BILL ANALYSIS**

Senate Research Center

S.B. 1003  
By: Ellis  
Economic Development  
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As Filed

### **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. S.B. 1003 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, and minimum wage laws and to pay for privatizing certain tax collections. S.B. 1003 increases the period for protesting an initial claim for benefits to 14 days and allows a claim examiner to correct clerical errors; 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 also simplifies the levy provisions of TUCA.

### **PURPOSE**

As proposed, S.B. 1003 deletes obsolete taxable wage amounts and a reference to an obsolete provision of the Internal Revenue Code; allows money in the special administration fund to be spent to enforce child labor, payment of wages, and minimum wage laws and to pay for privatizing certain tax collections. The bill also increases the period for protesting an initial claim for benefits to 14 days and allows a claim examiner to correct clerical errors; 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.

### **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.

SECTION 5. Amends Section 212.054(a), to provide an exception to this section as otherwise provided by this subsection. Authorizes an examiner to issue a redetermination to correct a clerical

or machine error at any time during a claimant's benefit year.

SECTION 6. Amends Section 213.007, Labor Code, to provide that all findings regarding a claim for benefits may not be used as evidence, rather than only those findings made regarding a claim for benefits.

SECTION 7. Amends Section 213.033, Labor Code, to prohibit the commission from beginning an action in civil court to collect interest under certain conditions. Sets forth proceedings which suspend the running of time limitations 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 employee. 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 under a final court judgment, is a debt owed to the state under Section 403.055, Government Code.

SECTION 10. Amends Sections 213(a), (e), (g), and (h), Labor Code, to delete a provision authorizing notification to be by registered mail. Provides that certain notices are effective if delivered by mail to any branch, including the office at the bank at which the deposit is carried. Provides that 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. Provides that a notice under this section is effective against certain property.

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

SECTION 12. Emergency clause.