

## **BILL ANALYSIS**

Senate Research Center

S.B. 1005  
By: Ellis  
Economic Development  
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As Filed

### **DIGEST**

Currently, the Texas Unemployment Compensation Act conflicts with federal law. The Act denies all unemployment benefits to individuals who cause their own unemployment by their involvement in the sale of a business. S.B. 1005 would clarify eligibility for unemployment benefits following the sale of a business and provide for withholding uncollected food stamps over issuances from unemployment benefits as required by federal law.

### **PURPOSE**

As proposed, S.B. 1005 would clarify eligibility for unemployment benefits following the sale of a business and provide for withholding uncollected food stamps over issuances from unemployment benefits.

### **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 204.022(a), Labor Code, to prohibit that benefits computed on benefit wage credits of an employee or former employee from being charged to the employer's account if the employee's last separation from the employer's employment before the employee's benefit year would have disqualified the employee under Section 207.051, Labor Code. Makes a conforming change.

SECTION 2. Amends Section 207.051, Labor Code, to provide that an individual is disqualified for benefits if the individual left the individual's last work because of the sale of certain entities. Makes nonsubstantive changes. Provides that disqualification continues until the individual has returned to employment and met certain conditions. Deletes a provision providing for the effectiveness of the disqualifications.

SECTION 3. Amends Chapter 207, Labor Code, by adding Subchapter G, as follows:

#### **SUBCHAPTER G. WITHHOLDING FROM UNEMPLOYMENT BENEFITS FOR UNCOLLECTED OVERISSUANCES OF FOOD STAMPS**

Sec. 201.111. DEFINITIONS. Defines "state agency," "uncollected overissuance," and "unemployment benefits."

Sec. 207.112. APPLICATION. Sets forth the application of this subchapter.

Sec. 207.113. REQUIRED DISCLOSURE; NOTICE TO FOOD STAMP AGENCY. Requires certain individuals to disclose whether the individual owes an uncollected overissuance. Requires the Texas Workforce Commission (commission) to notify the state agency of the identity of a person that discloses that he or she does owe an uncollected overissuance.

Sec. 207.114. WITHHOLDING. Requires the commission to deduct and withhold a certain

amount from unemployment benefits payable to individuals who owe an uncollected overissuance. Requires the commission to pay any amount deducted and withheld under this section to the state agency in this state. Requires the amount deducted to be treated as if it were paid to the individual as unemployment benefits and submitted by that individual to the state agency as repayment.

SECTION 4. Effective date: September 1, 1997.  
Makes application of this Act prospective.

SECTION 5. Emergency clause.