BILL ANALYSIS

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, a staff leasing services company is required to be responsible for employee compensation even if the client company has not paid the staff leasing company. In situations where the client company has not paid for services rendered, the only recourse for the staff leasing company to recover the funds from the client company under contract is through a lawsuit.

As proposed, S.B. 1103 provides an alternative to a lawsuit between the staff leasing company and the client company by authorizing the staff leasing company to attach a lien to items of value, other than real property, of the client company.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle B, Title 5, Property Code, by adding Chapter 64, as follows:

CHAPTER 64. STAFF LEASING SERVICES COMPANY LIEN

Sec. 64.001. DEFINITIONS. Defines "client company," "staff leasing services," and "staff leasing services company."

Sec. 64.002. LIEN. Provides that a staff leasing services company (company) that provides staff leasing services (services) for a client company under a contract with the client company or its agent has the right to file a lien under this chapter for the amount due under the contract.

Sec. 64.003. PROPERTY SUBJECT TO LIEN. Provides that the lien attaches to certain items of value, other than real property, that are created wholly or partly with the services provided or that are necessarily connected with the performance of the services provided, and that are owned or in possession of the entity that entered into the contract with the company.

Sec. 64.004. DURATION OF LIEN. Provides that a lien created under Chapter 64, Property Code, expires on the first anniversary of the date of attachment.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2007.