

BILL ANALYSIS

Senate Research Center
84R8809 KSD-F

H.B. 1657
By: Vo (Lucio)
Natural Resources & Economic Development
5/12/2015
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties contend that current law is in error regarding an unemployment insurance tax rate computation date as the date relates to the unemployment compensation fund and the use of the fund by the Texas Workforce Commission to pay outstanding bond obligations or to provide a surplus credit for experience-rated employers. These parties assert that this error may have placed an unnecessary burden on employers and may not reflect the intent of the law. H.B. 1657 seeks to address this issue.

H.B. 1657 amends the Labor Code to remove a provision making an experience-rated employer ineligible to receive a surplus credit rate under the Texas Unemployment Compensation Act if any delinquent contributions are due on the contribution date and instead to make the employer ineligible to receive such a surplus credit rate if any delinquent contributions are due on the computation date.

H.B. 1657 amends current law relating to the determination of an experience-rated employer's eligibility for a surplus credit rate under the Texas Unemployment Compensation Act.

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 Section 204.0652(d), Labor Code, to prohibit an employer from receiving a surplus credit rate if any delinquent contributions are due on the computation date, rather than contribution date, but provides that the employer is eligible for a surplus credit rate beginning on the calendar quarter following the quarter in which the delinquent contributions are paid.

SECTION 2. Effective date: upon passage or September 1, 2015.