

## **BILL ANALYSIS**

Senate Research Center  
85R17948 SMT-F

H.B. 1432  
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Natural Resources & Economic Development  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Texas Workforce Commission (TWC) administers the Unemployment Insurance Program in Texas. In this capacity, TWC is also charged with collecting debts for unpaid unemployment insurance taxes, penalties and interest on unpaid unemployment taxes.

Current statute does not provide TWC with the necessary authority to cash a warrant issued with a restricted or conditional endorsement that would settle a debt for contributions, penalties or interest for less than the actual amount owed. Unfortunately, this results in TWC having to return warrants issued with a restricted or conditional endorsement in order to not provide a legal standard, or basis, for the payer to settle a debt for less than the amount owed.

H.B. 1432 provides TWC with statutory authority to cash a warrant with a restricted or conditional endorsement without being restricted by the conditions placed on the warrant.

H. B. 1432 amends statute by adding that a restriction or condition placed on a payment to TWC for contributions, penalties or interest owed is void unless the restriction or condition is authorized by the Labor Code.

H.B. 1432 amends current law relating to restrictions or conditions on certain payments to the Texas Workforce Commission.

### **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 Subchapter A, Chapter 213, Labor Code, by adding Section 213.012, as follows:

Sec. 213.012. RESTRICTIONS OR CONDITIONS ON PAYMENTS PROHIBITED. (a)  
Defines "payment instrument."

(b) Prohibits a person from placing on a payment instrument remitted to the Texas Workforce Commission (TWC) any restriction or condition purporting to limit the amount of contributions, penalties, or interest owed to TWC by an employer.

(c) Provides that a restriction or condition in violation of this section is void.

SECTION 2. Effective date: upon passage or September 1, 2017.