

By: Button

H.B. No. 2907

A BILL TO BE ENTITLED

1 AN ACT
2 relating to measures to prevent and address fraud in the
3 administration of the Texas Unemployment Compensation Act;
4 providing an administrative penalty.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 203.201(b), Labor Code, is amended to
7 read as follows:

8 (b) The special administration fund consists of:

9 (1) all interest and penalties collected under this
10 subtitle, other than a penalty assessed under Section 214.003
11 [~~214.003(a)(2)~~]; and

12 (2) any amounts received under any surety bond for
13 losses sustained by the special administration fund.

14 SECTION 2. Section 207.021(a), Labor Code, is amended to
15 read as follows:

16 (a) Except as provided by Chapter 215, an unemployed
17 individual is eligible to receive benefits for a benefit period if
18 the individual:

19 (1) has registered for work at an employment office
20 and has continued to report to the employment office as required by
21 rules adopted by the commission;

22 (2) has made a claim for benefits under Section
23 208.001;

24 (3) is able to work;

1 (4) is available for work;

2 (5) is actively seeking work in accordance with rules
3 adopted by the commission;

4 (6) for the individual's base period, has benefit wage
5 credits:

6 (A) in at least two calendar quarters; and

7 (B) in an amount not less than 37 times the
8 individual's benefit amount;

9 (7) after the beginning date of the individual's most
10 recent prior benefit year, if applicable, earned wages in an amount
11 equal to not less than six times the individual's benefit amount;

12 (8) has been totally or partially unemployed for a
13 waiting period of at least seven consecutive days; ~~and~~

14 (9) participates in reemployment services, such as a
15 job search assistance service, if the individual has been
16 determined, according to a profiling system established by the
17 commission, to be likely to exhaust eligibility for regular
18 benefits and to need those services to obtain new employment,
19 unless:

20 (A) the individual has completed participation
21 in such a service; or

22 (B) there is reasonable cause, as determined by
23 the commission, for the individual's failure to participate in
24 those services; and

25 (10) has verified the individual's identity in
26 accordance with rules adopted by the commission, which may include
27 requiring the individual to verify the individual's identity:

- 1 (A) by telephone or other electronic means;
- 2 (B) by an in-person meeting; or
- 3 (C) through an application developed by a
- 4 third-party vendor.

5 SECTION 3. Section 214.003, Labor Code, is amended by

6 adding Subsection (b-1) and amending Subsection (d) to read as

7 follows:

8 (b-1) If a person intentionally or knowingly makes a

9 materially false statement or misrepresentation to obtain benefits

10 in the name of another person:

11 (1) the person:

12 (A) forfeits:

13 (i) the benefit received; and

14 (ii) rights to benefits that remain in the

15 benefit year in which the false statement or misrepresentation

16 occurred; and

17 (B) is liable for the amount of the benefit

18 received, which may be recovered in the manner provided by Section

19 212.006 or 214.002, as applicable; and

20 (2) the commission shall require the person to pay a

21 penalty in an amount equal to 15 percent of the amount forfeited

22 under Subdivision (1)(A)(i).

23 (d) A person who is assessed a penalty by the commission

24 under this section [~~Subsection (a)(2)~~] is liable for the amount of

25 the penalty. The commission may collect the penalty in the same

26 manner as provided by Sections 212.006 and 214.002 [~~213.031,~~

27 ~~213.032, 213.033, 213.035, and 213.051~~] for the collection of

1 past-due contributions. The commission shall deposit a penalty
2 assessed under this section [~~Subsection (a)(2)~~] in the unemployment
3 compensation fund established under Section 203.021.

4 SECTION 4. Subchapter F, Chapter 301, Labor Code, is
5 amended by adding Section 301.087 to read as follows:

6 Sec. 301.087. CERTAIN FRAUD DETECTION INFORMATION NOT
7 PUBLIC INFORMATION. (a) In this section, "fraud detection
8 information" means any information, including risk assessments,
9 reports, data, protocols, technology specifications, manuals,
10 instructions, investigative materials, crossmatches, mental
11 impressions, and communications, that may reveal the methods or
12 means by which the commission prevents, investigates, or evaluates
13 fraud in its administration of Subtitle A.

14 (b) Fraud detection information is not public information
15 for purposes of Chapter 552, Government Code, and is excepted from
16 the requirements of Section 552.021 of that code.

17 SECTION 5. The change in law made by this Act applies only
18 to a claim for unemployment compensation benefits filed with the
19 Texas Workforce Commission on or after the effective date of this
20 Act. A claim filed before the effective date of this Act is
21 governed by the law in effect on the date the claim was filed, and
22 the former law is continued in effect for that purpose.

23 SECTION 6. This Act takes effect September 1, 2023.