

BILL ANALYSIS

H.B. 1819
By: Oliveira
Economic Development
Committee Report (Unamended)

BACKGROUND AND PURPOSE

In regards to unemployment insurance, a chargeback is when benefits of a former employee are charged to the account of an employer; this is used in determining an employers unemployment insurance tax rate. Chargeback relief is when the employer's account is not charged.

In 2001, the bridge connecting South Padre Island to the mainland collapsed after being struck by a barge that was forced off course by high tides. The Governor declared the area a disaster, but the President declined to make the same declaration. Although chargeback relief was granted for this incident, it uncovered a weakness in current statute; if the accident had been caused by human error, the Workforce Commission would not have been able to extend relief unless the President had declared the area a disaster. HB 1819 provides chargeback relief for employers who have been affected by any event declared a disaster by the governor.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

HB 1819 amends the Labor Code to prohibit charging benefit wage credits to the account of an employer or former employer if the separation was a result of an event that is declared a disaster by the governor.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, September 1, 2003.