

## **BILL ANALYSIS**

S.B. 374  
By: Williams  
Licensing & Administrative Procedures  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Currently, Texas law requires a staff leasing company to take the responsibility of paying assigned employees' wages, including bonuses, vacation, and severance pay even if they have not contracted for such payments. S.B. 374 establishes a specific definition of "wages" and requires a client company to pay any wages agreed to between the company and the employee. S.B. 374 requires a staff leasing agency to disclose this information to all its assigned employees.

### **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.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 91.001, Labor Code, to define "wages."

SECTION 2. Amends Section 91.032, Labor Code, by amending Subsections (c) and (d), as follows:

(c) Requires a client company to pay any wages it has agreed, through certain formats, to pay and that the staff leasing services has not contracted to pay, notwithstanding Subsection (a)(2).

(d) Requires each staff leasing company to disclose, in writing, to each assigned employee the requirements of Subsection (c).

SECTION 3. Amends Section 91.044(a), Labor Code, to exempt a staff leasing company from being considered the employer of an assigned employee relating to wages subject to Section 91.032(c) (Contract Requirements) for the purposes of Chapter 61 (Payment of Wages).

SECTION 4. Effective date: September 1, 2003.  
Makes application of this Act prospective.

### **EFFECTIVE DATE**

September 1, 2003.