

By: Williams

S.B. No. 374

A BILL TO BE ENTITLED

AN ACT

relating to the payment of certain wages by staff leasing services companies.

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

SECTION 1. Section 91.001, Labor Code, is amended by adding Subdivision (17) to read as follows:

(17) "Wages" means:

(A) compensation for labor or services rendered by an assigned employee, whether computed on a time, task, piece, or other basis; and

(B) vacation pay, holiday pay, sick leave pay, parental leave pay, severance pay, bonuses, commissions, stock option grants, or deferred compensation owed to an assigned employee under a written agreement.

SECTION 2. Section 91.032, Labor Code, is amended by adding Subsections (c) and (d) to read as follows:

(c) Notwithstanding Subsection (a)(2), a client company is solely obligated to pay any wages for which:

(1) obligation to pay is created by an agreement, contract, plan, or policy between the client company and the assigned employee; and

(2) the staff leasing services company has not contracted to pay.

(d) Each staff leasing services company shall disclose the

1 requirements of Subsection (c) in writing to each assigned  
2 employee.

3 SECTION 3. Subsection (a), Section 91.044, Labor Code, is  
4 amended to read as follows:

5 (a) A license holder is the employer of an assigned employee  
6 for purposes of Subtitle A, Title 4, and, except for wages subject  
7 to Section 91.032(c), for purposes of Chapter 61. In addition to  
8 any other reports required to be filed by law, a license holder  
9 shall report quarterly to the Texas Workforce Commission on a form  
10 prescribed by the Texas Workforce Commission the name, address,  
11 telephone number, federal income tax identification number, and  
12 classification code as described in the "Standard Industrial  
13 Classification Manual" published by the United States Office of  
14 Management and Budget of each client company.

15 SECTION 4. This Act takes effect September 1, 2003, and  
16 applies only to a contract between a staff leasing services license  
17 holder and a client company entered into on or after that date. A  
18 contract entered into before that date is governed by the law in  
19 effect on the date the contract was entered into, and the former law  
20 is continued in effect for that purpose.