

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.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 374 passed the Senate on March 20, 2003, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 374 passed the House on May 23, 2003, by a non-record vote.

Chief Clerk of the House

Approved:

Date

Governor