

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