

1-1 By: Williams S.B. No. 374  
1-2 (In the Senate - Filed February 5, 2003; February 11, 2003,  
1-3 read first time and referred to Committee on Business and Commerce;  
1-4 March 5, 2003, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 9, Nays 0; March 5, 2003,  
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 374 By: Armbrister

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the payment of certain wages by staff leasing services  
1-11 companies.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 91.001, Labor Code, is amended by adding  
1-14 Subdivision (17) to read as follows:

1-15 (17) "Wages" means:

1-16 (A) compensation for labor or services rendered  
1-17 by an assigned employee, whether computed on a time, task, piece, or  
1-18 other basis; and

1-19 (B) vacation pay, holiday pay, sick leave pay,  
1-20 parental leave pay, severance pay, bonuses, commissions, stock  
1-21 option grants, or deferred compensation owed to an assigned  
1-22 employee under a written agreement.

1-23 SECTION 2. Section 91.032, Labor Code, is amended by adding  
1-24 Subsections (c) and (d) to read as follows:

1-25 (c) Notwithstanding Subsection (a)(2), a client company is  
1-26 solely obligated to pay any wages for which:

1-27 (1) obligation to pay is created by an agreement,  
1-28 contract, plan, or policy between the client company and the  
1-29 assigned employee; and

1-30 (2) the staff leasing services company has not  
1-31 contracted to pay.

1-32 (d) Each staff leasing services company shall disclose the  
1-33 requirements of Subsection (c) in writing to each assigned  
1-34 employee.

1-35 SECTION 3. Subsection (a), Section 91.044, Labor Code, is  
1-36 amended to read as follows:

1-37 (a) A license holder is the employer of an assigned employee  
1-38 for purposes of Subtitle A, Title 4, and, except for wages subject  
1-39 to Section 91.032(c), for purposes of Chapter 61. In addition to  
1-40 any other reports required to be filed by law, a license holder  
1-41 shall report quarterly to the Texas Workforce Commission on a form  
1-42 prescribed by the Texas Workforce Commission the name, address,  
1-43 telephone number, federal income tax identification number, and  
1-44 classification code as described in the "Standard Industrial  
1-45 Classification Manual" published by the United States Office of  
1-46 Management and Budget of each client company.

1-47 SECTION 4. This Act takes effect September 1, 2003, and  
1-48 applies only to a contract between a staff leasing services license  
1-49 holder and a client company entered into on or after that date. A  
1-50 contract entered into before that date is governed by the law in  
1-51 effect on the date the contract was entered into, and the former law  
1-52 is continued in effect for that purpose.

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