

BILL ANALYSIS

S.B. 1229
By: Fraser
Economic Development
Committee Report (Amended)

BACKGROUND AND PURPOSE

S.B. 1229 ensures that employees of staff leasing companies have clear and timely instructions upon the conclusion of an assignment. S.B. 1229 eliminates most temporary employment from consideration as a worker's last employment so only those people whose employment is covered by the Texas Unemployment Compensation Act will be eligible to obtain unemployment benefits. S.B. 1229 also makes it possible for the Texas Workforce Commission (TWC) to engage collection agencies to collect improper benefits and assess fees against claimants whose debts are turned over to collection agencies. Finally, S.B. 1229 authorizes TWC and workforce boards to turn over records and employment information to private entities under certain circumstances.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

ANALYSIS

SECTION 1. Amends Section 207.045(i), Labor Code, to provide that an assigned employee of a staff leasing services company is considered to have left the assigned employee's last work without good cause if the staff leasing services company demonstrates that at the time the employee's assignment to a client company concluded, the staff leasing services company, or the client company acting on the staff leasing services company's behalf, gave written notice and written instructions to the assigned employee to contact the staff leasing services company for a new assignment, rather than on termination of assignment at a client company.

SECTION 2. Amends Section 208.002, Labor Code, as follows:

Sec. 208.002. New heading: INITIAL CLAIM; LAST WORK. Defines "last work" and "person for whom the claimant last worked," when used in connection with an initial claim.

SECTION 3. Amends Section 214.002, Labor Code, as follows:

Sec. 214.002. New heading: LIABILITY FOR OBTAINING IMPROPER BENEFITS. Authorizes TWC to recover improper benefits by employing a private collection agency to seek repayment of the amount of the improper benefits, but only if TWC determines the improper benefits are due to fraud under Section 214.001 (Offenses, Penalties, and Sanctions), Labor Code, and are otherwise uncollectible. Redefines "improper benefit." Authorizes TWC, if TWC employs a collection agency under Subsection (a)(3), to assess a fee against the claimant. Makes conforming changes.

SECTION 4. Amends Section 214.007(a), Labor Code, to provide that a person commits an offense if the person willfully violates a provision of this title, rather than subtitle, and make conforming changes.

SECTION 5. Amends Chapter 214, Labor Code, by adding Section 214.008, as follows:

Sec. 214.008. ACCESS TO RECORDS BY PRIVATE ENTITY. Authorizes TWC, for the proper and efficient administration of the federal-state unemployment compensation program, to

make records maintained by TWC that relate to this title available to a private entity under a written agreement in accordance with federal law.

SECTION 6. Amends Sections 301.081(c) and (d), Labor Code, to prohibit employment information obtained or otherwise secured by TWC, including information obtained directly from employers or other states, from being published or open to public inspection, other than to a public employee in the performance of public duties, except as TWC considers necessary for the proper administration of this title or as otherwise provided under federal or state law, including this title. Provides that a person commits an offense if the person violates, rather than if the person is an employee or member of TWC who violates, any provision of this section and provides penalties for each, rather than an, offense under this section.

SECTION 7. Amends Section 301.082, Labor Code, by adding Subsection (a-1), to authorize TWC or a local workforce development board, for the proper and efficient implementation of any federal, state, or local law, to make records maintained by TWC or a local workforce development board, as applicable, that relate to this title available to a public or private entity under a written agreement in accordance with federal law.

SECTION 8. Makes application of this Act prospective.

SECTION 9. Provides the effective date of this Act.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2005.

EXPLANATION OF AMENDMENTS

The changes made from line 1 on page 1 to line 15 on page 2 are language from Rep. Hodge's HB 1738, regarding eligibility for unemployment benefits during labor disputes.

On page two line 16 of the amendment, SECTION 2 of SB 1229, regarding "last employing units", is deleted. So, all references in SB 1229 to changes in defining who an employee's last employer was are now gone.

The changes starting on line 18 of the amendment relating to SECTIONS 5 and 7 of SB 1229, make changes to the bill so that only collection agencies have access to private records in cases of investigating the payment of improper benefits when fraud is involved. This differs from the language in SB 1229 because the bill allows private records to be accessed by any entity in the name of administering Unemployment Benefits.