

By: West, Brimer

S.B. No. 1096

A BILL TO BE ENTITLED

AN ACT

relating to certain employment and training investment programs in this state.

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

SECTION 1. Subsection (a), Section 204.006, Labor Code, is amended to read as follows:

(a) A person's contribution rate for the calendar year in which the person becomes an employer is the greater of:

(1) the rate established for that year for the major group to which the employer is assigned under Section 204.004, less one-tenth of one percent; or

(2) two and six-tenths [~~seven-tenths~~] percent.

SECTION 2. Subchapter A, Chapter 204, Labor Code, is amended by adding Section 204.0065 to read as follows:

Sec. 204.0065. INITIAL CONTRIBUTION RATE. Notwithstanding Section 204.006, on and after January 1, 2006, a person's contribution rate shall be two and six-tenths percent until the date the experience rate computed under Section 204.041 takes effect for the employer.

SECTION 3. Subchapter D, Chapter 204, Labor Code, is amended by adding Section 204.0625 to read as follows:

Sec. 204.0625. ADJUSTMENT TO REPLENISHMENT TAX RATE. On and after January 1, 2006, the replenishment tax rate computed under Section 204.062 shall be adjusted to a rate computed by

1 subtracting one-tenth of one percent from the percentage computed
2 under Section 204.062(a).

3 SECTION 4. Chapter 204, Labor Code, is amended by adding
4 Subchapter G to read as follows:

5 SUBCHAPTER G. EMPLOYMENT AND TRAINING INVESTMENT ASSESSMENT; FUNDS

6 Sec. 204.121. EMPLOYMENT AND TRAINING INVESTMENT
7 ASSESSMENT. (a) In addition to any other taxes imposed under this
8 subtitle, an employment and training investment assessment is
9 imposed on or after January 1, 2006, on each employer paying
10 contributions under this subtitle as a separate assessment of
11 one-tenth of one percent of wages paid by the employer.

12 (b) The commission shall deposit the revenue from the
13 employment and training investment assessment to the credit of the
14 holding fund created under Section 204.122.

15 (c) The employment and investment training assessment is
16 due at the same time, collected in the same manner, and subject to
17 the same penalties and interest as other contributions assessed
18 under this subtitle.

19 Sec. 204.122. HOLDING FUND. (a) The employment and
20 training investment holding fund is a special trust fund outside of
21 the state treasury in the custody of the comptroller separate and
22 apart from all public money or funds of this state.

23 (b) The comptroller shall administer the holding fund in
24 accordance with the directions of the commission. Interest
25 accruing on amounts in the holding fund shall be deposited
26 quarterly to the credit of the compensation fund.

27 Sec. 204.123. TRANSFER TO TEXAS ENTERPRISE FUND, SKILLS

1 DEVELOPMENT FUND, TRAINING STABILIZATION FUND, AND COMPENSATION
2 FUND. (a) If, on September 1 of a year, the commission determines
3 that the amount in the compensation fund will exceed 100 percent of
4 its floor as computed under Section 204.061 on the next October 1
5 computation date, the commission shall transfer from the holding
6 fund created under Section 204.122:

7 (1) from the first \$160 million deposited in the
8 holding fund during any state fiscal biennium:

9 (A) 80 percent to the Texas Enterprise Fund
10 created under Section 481.078, Government Code; and

11 (B) 20 percent to the skills development fund
12 created under Section 303.003; and

13 (2) any remaining amount in the holding fund after the
14 distribution under Subdivision (1) to the training stabilization
15 fund created under Section 302.101.

16 (b) If, on September 1 of a year, the commission determines
17 that the amount in the compensation fund will be at or below 100
18 percent of its floor as computed under Section 204.061 on the next
19 October 1 computation date, the commission shall transfer to the
20 compensation fund as much of the amount in the holding fund as is
21 necessary to raise the amount in the compensation fund to 100
22 percent of its floor, up to and including the entire amount in the
23 holding fund. The commission shall transfer any remaining balance
24 in the holding fund to the Texas Enterprise Fund, the skills
25 development fund, and the training stabilization fund in the
26 percentages prescribed by Subsection (a).

27 SECTION 5. Chapter 302, Labor Code, is amended by adding

Subchapter F to read as follows:

SUBCHAPTER F. EMPLOYMENT AND TRAINING INVESTMENT ASSESSMENT

Sec. 302.101. TRAINING STABILIZATION FUND. (a) The training stabilization fund is established as a special trust fund outside of the state treasury in the custody of the comptroller separate and apart from all public money or funds of this state. The fund is composed of:

(1) money deposited to the fund under Section 204.123; and

(2) any other money received for deposit in the fund.

(b) Money in the training stabilization fund may be used in a year in which the amounts in the employment and training investment holding fund are insufficient to meet the legislative appropriation for that fiscal year for either the Texas Enterprise Fund or the skills development fund.

(c) Money in the training stabilization fund shall be transferred to the Texas Enterprise Fund and the skills development fund under Subsection (b) not later than September 30. The transfer under Subsection (b) shall consist of transferring 62.5 percent of the money in the training stabilization fund to the Texas Enterprise Fund and 37.5 percent of the money in the training stabilization fund to the skills development fund. The amount transferred from the training stabilization fund may not exceed the amounts appropriated to the Texas Enterprise Fund and skills development fund in the fiscal year in which the transfer is made.

(d) Interest that accrues on the money in the training stabilization fund shall be deposited quarterly to the credit of

1 the compensation fund.

2 SECTION 6. Chapter 303, Labor Code, is amended by adding
3 Section 303.0035 to read as follows:

4 Sec. 303.0035. USE OF MONEY IN HOLDING FUND (GENERAL
5 REVENUE ACCOUNT 5069) FOR SKILLS DEVELOPMENT. Money in the holding
6 fund (general revenue account number 5069) may be used only for the
7 purposes for which the money in the skills development fund under
8 Section 303.003 may be used.

9 SECTION 7. Section 303.005, Labor Code, is amended to read
10 as follows:

11 Sec. 303.005. PARTICIPATION IN ADDITIONAL PROGRAMS;
12 APPLICATION REQUIREMENTS; PRIORITY. (a) An employer may not apply
13 both to a public community or technical college for customized
14 training and assessment from the college through a grant issued to
15 the college under the skills development fund program established
16 under this chapter and for a grant under the Texas Enterprise Fund
17 [~~smart jobs fund~~] program established under Subchapter E [~~F~~],
18 Chapter 481, Government Code, unless the employer and the college
19 file an application for concurrent participation in both programs
20 that complies with any rules adopted by the Texas Workforce
21 Commission on concurrent participation [~~Section 481.1565,~~
22 ~~Government Code~~].

23 (b) In awarding any grant under this chapter, the commission
24 shall consider giving priority to training incentives for small
25 businesses.

26 SECTION 8. Section 2308.308, Government Code, is amended to
27 read as follows:

1 Sec. 2308.308. PUBLIC COMMUNITY COLLEGE. A public
2 community college shall promptly provide workforce training and
3 services that are requested:

4 (1) by a board if the need for the training and
5 services is based on the labor market information system available
6 for the area;

7 (2) by employers located in the college's taxing
8 district when the request is presented directly to the college by
9 the employers or through the board; or

10 (3) as part of economic development incentives
11 designed to attract or retain an employer, including incentives
12 offered under the skills development [~~smart-jobs~~] fund program
13 under [~~Subchapter J,~~] Chapter 303, Labor Code [~~481~~].

14 SECTION 9. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2005.