

SENATE AMENDMENTS

2nd Printing

By: Deshotel

H.B. No. 2120

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the operation of the unemployment compensation system
3 and eligibility for and computation of an individual's unemployment
4 compensation benefits.

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

6 SECTION 1. Section 204.022(a), Labor Code, as amended by
7 Chapters 39, 493, and 728, Acts of the 79th Legislature, Regular
8 Session, 2005, is reenacted and amended to read as follows:

9 (a) Benefits computed on benefit wage credits of an employee
10 or former employee may not be charged to the account of an employer
11 if the employee's last separation from the employer's employment
12 before the employee's benefit year:

13 (1) was required by a federal statute;

14 (2) was required by a statute of this state or an
15 ordinance of a municipality of this state;

16 (3) would have disqualified the employee under Section
17 207.044, 207.045, 207.051, or 207.053 if the employment had been
18 the employee's last work;

19 (4) imposes a disqualification under Section 207.044,
20 207.045, 207.051, or 207.053;

21 (5) was caused by a medically verifiable illness of
22 the employee or the employee's minor child;

23 (6) was based on a natural disaster that results in a
24 disaster declaration by the president of the United States under

1 the Robert T. Stafford Disaster Relief and Emergency Assistance Act
2 (42 U.S.C. Section 5121 et seq.), if the employee would have been
3 entitled to unemployment assistance benefits under Section 410 of
4 that act (42 U.S.C. Section 5177) had the employee not received
5 state unemployment compensation benefits;

6 (7) was caused by a natural disaster, fire, flood, or
7 explosion that causes employees to be separated from one employer's
8 employment;

9 (8) was based on a disaster that results in a disaster
10 declaration by the governor under Section 418.014, Government Code;

11 (9) resulted from the employee's resigning from
12 partial employment to accept other employment that the employee
13 reasonably believed would increase the employee's weekly wage;

14 (10) was caused by the employer being called to active
15 military service in any branch of the United States armed forces on
16 or after January 1, 2003;

17 (11) resulted from the employee leaving the employee's
18 workplace to protect the employee from family violence or stalking
19 as evidenced by:

20 (A) an active or recently issued protective order
21 documenting family violence against, or the stalking of, the
22 employee or the potential for family violence against, or the
23 stalking of, the employee;

24 (B) a police record documenting family violence
25 against, or the stalking of, the employee; or ~~and~~

26 (C) a physician's statement or other medical
27 documentation that describes the ~~of~~ family violence against the

1 employee that:

2 (i) is recorded in any form or medium that
3 identifies the employee as the patient; and

4 (ii) relates to the history, diagnosis,
5 treatment, or prognosis of the patient; ~~or~~

6 (12) resulted from a move from the area of the
7 employee's employment that:

8 (A) was made with the employee's spouse who is a
9 member of the armed forces of the United States; and

10 (B) resulted from the spouse's permanent change
11 of station of longer than 120 days or a tour of duty of longer than
12 one year; or

13 (13) [~~(12)~~] was caused by the employee being unable to
14 perform the work as a result of a disability for which the employee
15 is receiving disability insurance benefits under 42 U.S.C. Section
16 423.

17 SECTION 2. Section 204.022(c), Labor Code, is amended to
18 read as follows:

19 (c) Except as provided by law, evidence regarding an
20 employee described by Subsection (a)(11) [~~(a)(9)~~] may not be
21 disclosed to any person without the consent of the employee.

22 SECTION 3. Section 207.002, Labor Code, is amended by
23 amending Subsection (a) and adding Subsections (a-1) and (a-2) to
24 read as follows:

25 (a) An eligible individual who is totally unemployed in a
26 benefit period is entitled to benefits for the benefit period at the
27 rate of 1/25 of the wages received by the individual from

1 employment by employers during that quarter in the individual's
2 base period in which wages were highest. For purposes of this
3 subsection, the wages received by the individual from employment by
4 employers during the individual's base period include wages ordered
5 to be paid to the individual by a final order of the commission
6 under Chapter 61 that:

7 (1) were due to be paid to the individual by an
8 employer during the individual's base period; and

9 (2) will be credited to the date or dates on which the
10 payment of those wages was due.

11 (a-1) The commission by rule shall determine the method of
12 crediting wages to a particular quarter for purposes of Subsection
13 (a).

14 (a-2) The rate of benefits paid under this section may not
15 be more than the maximum weekly benefit amount computed under
16 Subsection (b) or less than the minimum weekly benefit amount
17 computed under Subsection (b) for each benefit period.

18 SECTION 4. Section 207.004, Labor Code, is amended by
19 amending Subsection (a) and adding Subsection (a-1) to read as
20 follows:

21 (a) The commission shall credit as benefit wage credits
22 during an individual's base period:

23 (1) [~~an individual's~~] wages the individual received
24 for employment from an employer during the individual's base
25 period; and

26 (2) wages ordered to be paid by a final order issued by
27 the commission under Chapter 61 that:

1 (A) were due to be paid by an employer during the
2 individual's base period; and

3 (B) will be credited to the date or dates on which
4 the payment of those wages was due [~~as the individual's benefit wage~~
5 ~~credits~~].

6 (a-1) The commission by rule shall determine the method of
7 crediting wages to an individual's base period for purposes of
8 Subsection (a).

9 SECTION 5. Section 207.021, Labor Code, is amended by
10 adding Subsection (d) to read as follows:

11 (d) An individual is available for work for purposes of
12 Subsection (a)(4) even if the individual is available only for
13 part-time work if:

14 (1) the individual establishes to the satisfaction of
15 the commission that the individual has a legitimate reason to limit
16 the individual's employment to part-time work; and

17 (2) the individual's last work was part-time work.

18 SECTION 6. Section 207.046(a), Labor Code, is amended to
19 read as follows:

20 (a) An individual is not disqualified for benefits under
21 this subchapter if:

22 (1) the work-related reason for the individual's
23 separation from employment was urgent, compelling, and necessary so
24 as to make the separation involuntary; or

25 (2) the individual leaves the workplace to protect the
26 individual from family violence or stalking as evidenced by:

27 (A) an active or recently issued protective order

1 documenting family violence against, or the stalking of, the
2 employee or the potential for family violence against, or the
3 stalking of, the employee;

4 (B) a police record documenting family violence
5 against, or the stalking of, the employee; or ~~and~~

6 (C) a physician's statement or other medical
7 documentation that describes the ~~of~~ family violence against the
8 employee that:

9 (i) is recorded in any form or medium that
10 identifies the employee as the patient; and

11 (ii) relates to the history, diagnosis,
12 treatment, or prognosis of the patient.

13 SECTION 7. Section 208.002, Labor Code, is amended to read
14 as follows:

15 Sec. 208.002. ~~[NOTICE OF]~~ INITIAL CLAIM; LAST WORK. (a)
16 When used in connection with an initial claim, "last work" and
17 "person for whom the claimant last worked" refer to:

18 (1) the last person for whom the claimant actually
19 worked, if the claimant worked for that person in six or more
20 consecutive weeks and was paid wages by that person equal to at
21 least six times the claimant's weekly benefit amount; or

22 (2) the employer, as defined by Subchapter C, Chapter
23 201, or by the unemployment law of any other state, for whom the
24 claimant last worked.

25 (b) The commission shall mail a notice of the filing of an
26 initial claim to the person for whom the claimant last worked before
27 the effective date of the initial claim. If the person for whom the

1 claimant last worked has more than one branch or division operating
2 at different locations, the commission shall mail the notice to the
3 branch or division at which the claimant last worked.

4 (c) [~~(b)~~] Mailing of a notice under this section to the
5 correct address of the person, branch, or division for which the
6 claimant last worked constitutes notice of the claim to the person.

7 SECTION 8. Sections 301.081(c) and (d), Labor Code, are
8 amended to read as follows:

9 (c) Employment information [~~thus~~] obtained or otherwise
10 secured under this section may not be published and is not open to
11 public inspection, other than to a public employee in the
12 performance of public duties, except as the commission considers
13 necessary for the proper administration of this title or as
14 provided by commission rule and consistent with federal law.

15 (d) A person commits an offense if the person [~~is an~~
16 ~~employee or member of the commission who~~] violates any provision of
17 this section. An offense under this subsection is a Class A
18 misdemeanor [~~is punishable by a fine of not less than \$20 nor more~~
19 ~~than \$200, confinement in jail for not more than 90 days, or both~~
20 ~~fine and confinement~~].

21 SECTION 9. Subchapter F, Chapter 301, Labor Code, is
22 amended by adding Section 301.085 to read as follows:

23 Sec. 301.085. UNEMPLOYMENT COMPENSATION INFORMATION;
24 OFFENSE; PENALTY. (a) In this section, "unemployment compensation
25 information" means information in the records of the commission
26 that pertains to the administration of Subtitle A, including any
27 information collected, received, developed, or maintained in the

1 administration of unemployment compensation benefits or the
2 unemployment compensation tax system.

3 (b) Consistent with federal law, the commission shall adopt
4 and enforce reasonable rules governing the confidentiality,
5 custody, use, preservation, and disclosure of unemployment
6 compensation information. The rules must include safeguards to
7 protect the confidentiality of identifying information regarding
8 any individual or any past or present employer or employing unit
9 contained in unemployment compensation information, including any
10 information that foreseeably could be combined with other publicly
11 available information to reveal identifying information regarding
12 the individual, employer, or employing unit, as applicable.

13 (c) Unemployment compensation information is not public
14 information for purposes of Chapter 552, Government Code.

15 (d) Unless permitted by this subchapter or commission rule,
16 a person commits an offense if the person solicits, discloses,
17 receives, or uses, or authorizes, permits, participates in, or
18 acquiesces in another person's use of, unemployment compensation
19 information that reveals:

20 (1) identifying information regarding any individual
21 or past or present employer or employing unit; or

22 (2) information that foreseeably could be combined
23 with other publicly available information to reveal identifying
24 information regarding any individual or past or present employer or
25 employing unit.

26 (e) An offense under Subsection (d) is a Class A
27 misdemeanor.

1 SECTION 10. The change in law made by this Act to Section
2 301.081(d), Labor Code, applies only to an offense committed on or
3 after the effective date of this Act. An offense committed before
4 the effective date of this Act is governed by the law in effect at
5 the time the offense was committed, and the former law is continued
6 in effect for that purpose. For purposes of this section, an
7 offense was committed before the effective date of this Act if any
8 element of the offense was committed before that date.

9 SECTION 11. To the extent of any conflict, this Act prevails
10 over another Act of the 80th Legislature, Regular Session, 2007,
11 relating to nonsubstantive additions to and corrections in enacted
12 codes.

13 SECTION 12. The changes in law made by this Act apply only
14 to eligibility for unemployment benefits based on an unemployment
15 compensation claim that is filed with the Texas Workforce
16 Commission on or after the effective date of this Act. A claim
17 filed before that date is governed by the law in effect on the date
18 the claim was filed, and the former law is continued in effect for
19 that purpose.

20 SECTION 13. This Act takes effect immediately if it
21 receives a vote of two-thirds of all the members elected to each
22 house, as provided by Section 39, Article III, Texas Constitution.
23 If this Act does not receive the vote necessary for immediate
24 effect, this Act takes effect September 1, 2007.

ADOPTED

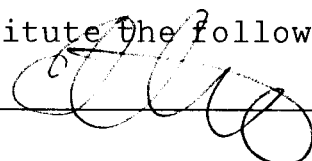
MAY 23 2007

Atay Spaw
Secretary of the Senate

By: Deshotel/Williams

H.B. No. 2120

Substitute the following for H.B. No. 2120:

By: 

C.S. H.B. No. 2120

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the operation of the unemployment compensation system
3 and computation of an individual's unemployment compensation
4 benefits; providing a criminal penalty.

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

6 SECTION 1. Section 207.002, Labor Code, is amended by
7 amending Subsection (a) and adding Subsections (a-1) and (a-2) to
8 read as follows:

9 (a) An eligible individual who is totally unemployed in a
10 benefit period is entitled to benefits for the benefit period at the
11 rate of 1/25 of the wages received by the individual from
12 employment by employers during that quarter in the individual's
13 base period in which wages were highest. For purposes of this
14 subsection, the wages received by the individual from employment by
15 employers during the individual's base period include wages ordered
16 to be paid to the individual by a final order of the commission
17 under Chapter 61 that:

18 (1) were due to be paid to the individual by an
19 employer during the individual's base period; and

20 (2) will be credited to the date or dates on which the
21 payment of those wages was due.

22 (a-1) The commission by rule shall determine the method of
23 crediting wages to a particular quarter for purposes of Subsection
24 (a).

1 (a-2) The rate of benefits paid under this section may not
2 be more than the maximum weekly benefit amount computed under
3 Subsection (b) or less than the minimum weekly benefit amount
4 computed under Subsection (b) for each benefit period.

5 SECTION 2. Section 207.004, Labor Code, is amended by
6 amending Subsection (a) and adding Subsection (a-1) to read as
7 follows:

8 (a) The commission shall credit as benefit wage credits
9 during an individual's base period:

10 (1) [~~an individual's~~] wages the individual received
11 for employment from an employer during the individual's base
12 period; and

13 (2) wages ordered to be paid by a final order issued by
14 the commission under Chapter 61 that:

15 (A) were due to be paid by an employer during the
16 individual's base period; and

17 (B) will be credited to the date or dates on which
18 the payment of those wages was due [~~as the individual's benefit wage~~
19 ~~credits~~].

20 (a-1) The commission by rule shall determine the method of
21 crediting wages to an individual's base period for purposes of
22 Subsection (a).

23 SECTION 3. Sections 301.081(c) and (d), Labor Code, are
24 amended to read as follows:

25 (c) Employment information [~~thus~~] obtained or otherwise
26 secured under this section may not be published and is not open to
27 public inspection, other than to a public employee in the

1 performance of public duties, except as the commission considers
2 necessary for the proper administration of this title or as
3 provided by commission rule and consistent with federal law.

4 (d) A person commits an offense if the person [~~is an~~
5 ~~employee or member of the commission who~~] violates any provision of
6 this section. An offense under this subsection is a Class A
7 misdemeanor [~~is punishable by a fine of not less than \$20 nor more~~
8 ~~than \$200, confinement in jail for not more than 90 days, or both~~
9 ~~fine and confinement~~].

10 SECTION 4. Subchapter F, Chapter 301, Labor Code, is
11 amended by adding Section 301.085 to read as follows:

12 Sec. 301.085. UNEMPLOYMENT COMPENSATION INFORMATION;
13 OFFENSE; PENALTY. (a) In this section, "unemployment compensation
14 information" means information in the records of the commission
15 that pertains to the administration of Subtitle A, including any
16 information collected, received, developed, or maintained in the
17 administration of unemployment compensation benefits or the
18 unemployment compensation tax system.

19 (b) Consistent with federal law, the commission shall adopt
20 and enforce reasonable rules governing the confidentiality,
21 custody, use, preservation, and disclosure of unemployment
22 compensation information. The rules must include safeguards to
23 protect the confidentiality of identifying information regarding
24 any individual or any past or present employer or employing unit
25 contained in unemployment compensation information, including any
26 information that foreseeably could be combined with other publicly
27 available information to reveal identifying information regarding

1 the individual, employer, or employing unit, as applicable.

2 (c) Unemployment compensation information is not public
3 information for purposes of Chapter 552, Government Code.

4 (d) Unless permitted by this subchapter or commission rule,
5 a person commits an offense if the person solicits, discloses,
6 receives, or uses, or authorizes, permits, participates in, or
7 acquiesces in another person's use of, unemployment compensation
8 information that reveals:

9 (1) identifying information regarding any individual
10 or past or present employer or employing unit; or

11 (2) information that foreseeably could be combined
12 with other publicly available information to reveal identifying
13 information regarding any individual or past or present employer or
14 employing unit.

15 (e) An offense under Subsection (d) is a Class A
16 misdemeanor.

17 SECTION 5. (a) The changes in law made by this Act apply
18 only to eligibility for unemployment benefits based on an
19 unemployment compensation claim that is filed with the Texas
20 Workforce Commission on or after the effective date of this Act. A
21 claim filed before that date is governed by the law in effect on the
22 date the claim was filed, and the former law is continued in effect
23 for that purpose.

24 (b) The change in law made by this Act to Section
25 301.081(d), Labor Code, applies only to an offense committed on or
26 after the effective date of this Act. An offense committed before
27 the effective date of this Act is governed by the law in effect at

1 the time the offense was committed, and the former law is continued
2 in effect for that purpose. For purposes of this section, an
3 offense was committed before the effective date of this Act if any
4 element of the offense was committed before that date.

5 SECTION 6. This Act takes effect immediately if it receives
6 a vote of two-thirds of all the members elected to each house, as
7 provided by Section 39, Article III, Texas Constitution. If this
8 Act does not receive the vote necessary for immediate effect, this
9 Act takes effect September 1, 2007.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 17, 2007

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2120 by Deshotel (Relating to the operation of the unemployment compensation system and computation of an individual's unemployment compensation benefits; providing a criminal penalty.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2120, Committee Report 2nd House, Substituted: an impact of \$0 through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>WRKFORCE COMMISSION FED</i> 5026
2008	(\$196,000)
2009	\$0
2010	\$0
2011	\$0
2012	\$0

Fiscal Analysis

The bill would amend the Labor Code relating to the operation of the unemployment compensation system and computation of an individual's unemployment compensation benefits; providing a criminal penalty.

Sections 1 and 2 of this bill include provisions allowing the Texas Workforce Commission (TWC) to use wages ordered paid by a final order of the Commission when calculating benefit payment amounts. The bill modifies the section of the law which defines wages used to calculate an individual's benefit amounts.

This bill would take effect immediately upon receiving a two-thirds majority vote in each house. If

the bill does not receive a two-thirds vote in each house, the bill would take effect September 1, 2007.

Methodology

Information provided by TWC from a random sampling of claims was used for the purposes of this analysis. TWC sampled 99 Pay Day Law wage claims to determine how many individuals filed for Unemployment Insurance (UI) benefits. The agency estimates 141 UI claimants would be affected by this legislation and estimates the amount of increase in UI benefit outlays per claimant would be \$286. According to TWC there would be a one-time technology cost of \$196,000 in federal funds in FY 2008 to update the Payday Law Internet application. TWC estimates the cost to the UI Trust Fund would be \$40,326 each fiscal year, totaling \$201,630 for the FY 2008-12 five year period.

Technology

According to TWC there would be a one-time technology cost of \$196,000 in federal funds in FY 2008 to update the Payday Law Internet application.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission

LBB Staff: JOB, JRO, MW, NV

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 7, 2007

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2120 by Deshotel (Relating to the operation of the unemployment compensation system and eligibility for and computation of an individual's unemployment compensation benefits.),
As Engrossed

Estimated Two-year Net Impact to General Revenue Related Funds for HB2120, As Engrossed: an impact of \$0 through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>WRKFORCE COMMISSION FED</i> 5026
2008	(\$196,000)
2009	\$0
2010	\$0
2011	\$0
2012	\$0

Fiscal Analysis

The bill would amend the Labor Code relating to the operation of the unemployment compensation system and eligibility for and computation of an individual's unemployment compensation benefits.

Sections 1, 2, and 6 of the bill include provisions that amend the requirement for family violence victims to document the violence by submitting one of the three types of evidence rather than requiring all three. Sections 3 and 4 of this bill include provisions allowing the Texas Workforce Commission (TWC) to use wages ordered paid by a final order of the Commission when calculating benefit payment amounts. The bill modifies the section of the law which defines wages used to calculate an individual's benefit amounts. Section 5 of this bill includes provisions allowing TWC to grant unemployment benefits to individuals who are only seeking part-time work. Section 7 of this

bill includes provisions changing the definition of “last work” and “person for whom the claimant last worked” for Initial Unemployment Insurance (UI) claims.

The bill would take effect immediately upon receiving a two-thirds majority vote in each house. If the bill does not receive a two-thirds vote in each house, the bill would take effect September 1, 2007.

Methodology

For the purpose of this analysis, TWC calculated the proportion of family violence UI claimants who would be eligible for UI benefits. For sections 1, 2 and 6, TWC estimates the cost to the UI Trust Fund would be \$163,363 in fiscal year 2008, \$172,710 in fiscal year 2009, \$190,688 in fiscal year 2010, \$200,986 in fiscal year 2011 and \$211,642 in fiscal year 2012, totaling \$939,389 for the 2008-12 five-year period.

In sections 3 and 4 of this bill TWC sampled 99 Pay Day Law wage claims to determine how many individuals filed for UI benefits. The agency estimates 141 UI claimants would be affected by this legislation and estimates the amount of increase in UI benefit outlays per claimant would be \$286. According to TWC there would be a one-time technology cost of \$196,000 in federal funds in FY 2008 to update the Payday Law Internet application. TWC estimates the cost to the UI Trust Fund would be \$40,326 each fiscal year, totaling \$201,630 for the FY 2008-12 five year period.

In section 5 of this bill, TWC assumes the provisions of this bill would have a range of impact related to an increase in benefit outlays from the UI Trust Fund. According to the TWC, the minimum impact, which consists of claimants who were previously denied UI benefits and who would qualify under the provisions of this bill is approximately \$14.2 million over a five year period. The minimum impact would assume that claims filed by individuals working part-time would be filed at the same rate as those filed by full-time workers, and would be proportionate with their representation in the Texas civilian labor force (15.98% of workers), which would total 123,525 in 2008, 126,721 in 2009, 136,309 in 2010, 137,428 in 2011, and 141,743 in 2012 [total UI Claims are estimated to be 773,000 in 2008, 793,000 in 2009, 853,000 in 2010, 860,000 in 2011, and 887,000 in 2012]; that the eligible number of part-time claims would consist of the same proportion of the projected number of part-time claims as the UI claimants previously held to be ineligible during the 2004-06 period and that the projected average UI weekly benefit amount and projected average duration of UI benefits would be the same as that projected for all claimants. The maximum impact estimated by the TWC including claimants who may currently be discouraged from filing for UI benefits, due to the requirement to search for full-time work, is approximately \$235.2 million over a five year period. The maximum impact would assume that claims filed by individuals working part-time would be filed at the same rate as those filed by full-time workers, and would be proportionate with their representation in the Texas civilian labor force (15.98% of workers), which would total 123,525 in 2008, 126,721 in 2009, 136,309 in 2010, 137,428 in 2011, and 141,743 in 2012 [total UI Claims are estimated to be 773,000 in 2008, 793,000 in 2009, 853,000 in 2010, 860,000 in 2011, and 887,000 in 2012]; that the number of eligible part-time claims would consist of 8.5% of the projected number of part-time claims.

In section 7 of this bill TWC estimates a savings to the UI Trust Fund of approximately \$112.0 million due to an estimated decrease of \$5,738 for claims no longer being paid over a five year period.

Technology

According to TWC there would be a one-time technology cost of \$196,000 in federal funds in FY 2008 to update the Payday Law Internet application.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission

LBB Staff: JOB, JRO, MW, NV

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 13, 2007

TO: Honorable Joe Deshotel, Chair, House Committee on Economic Development

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2120 by Deshotel (Relating to the wages credited to an individual for the purpose of computing the individual's unemployment compensation benefits.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Labor Code relating to the wages credited to an individual for the purpose of computing the individual's unemployment compensation benefits. According the Texas Workforce Commission (TWC), there would be a one-time technology cost of \$196,000 in federal funds in FY 2008 to update the Payday Law internet application. TWC estimates the cost to the Unemployment Insurance Trust Fund would be \$40,326 each fiscal year, totaling \$201,630 for the FY 2008-12 five-year period. Based on this analysis, it is assumed that any duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill would take effect immediately upon receiving a two-thirds majority vote in each house. If the bill does not receive a two-thirds vote in each house, the bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission

LBB Staff: JOB, JRO, MW, NV

