

BILL ANALYSIS

H.J.R. 122

By: Legler

Economic & Small Business Development
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties note that the unemployment insurance trust fund in 2010 paid more than \$100 million in unemployment benefits to persons who were subsequently determined to be ineligible to receive the benefits. According to the Texas Workforce Commission (TWC), the overpayments were largely due to federally mandated administrative procedures that require the TWC to immediately begin paying an unemployment claim before a determination is made on the claimant's eligibility to receive unemployment benefits. Interested parties would like Texas to have an additional tool at their disposal to recoup unemployment insurance overpayment. Allowing the Texas Workforce Commission the ability to garnish wages in order to recoup unemployment insurance overpayments will help ensure that the unemployment insurance fund is preserved for those who have legitimate claims, while limiting the impact on Texas businesses that financially support the trust fund. In order to allow the Texas Workforce Commission to do so would require passage of a constitutional amendment authorizing garnishment of wages for the recovery of fraudulently obtained unemployment benefits. H.J.R. 122 seeks to achieve the change in policy by proposing such a constitutional amendment.

RULEMAKING AUTHORITY

It is the committee's opinion that this resolution does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.J.R. 122 amends the Texas Constitution to add the recovery of fraudulently obtained unemployment benefits to the purposes that are an exception to the provision establishing that no current wages for personal service shall ever be subject to garnishment. The resolution sets out the required ballot language.

ELECTION DATE

The constitutional amendment proposed by this joint resolution will be submitted to the voters at an election to be held November 8, 2011.