

By: J. Davis of Harris

H.B. No. 2579

A BILL TO BE ENTITLED

AN ACT

relating to relief for certain employers from penalties and sanctions under the Texas Unemployment Compensation Act.

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

SECTION 1. Subchapter A, Chapter 213, Labor Code, is amended by adding Section 213.011 to read as follows:

Sec. 213.011. EFFECT OF PREVIOUS EMPLOYMENT DETERMINATION.

(a) Subject to Subsection (c), it is reasonable for an employer to rely on a court ruling or commission determination that, for the purposes of this subtitle, service performed by an individual, including service in interstate commerce, is not employment under this subtitle if:

(1) the ruling is:

(A) a judicial decision or precedent, including a published opinion, from a court in this state; or

(B) a commission decision involving the employer as a party or a subject; and

(2) the ruling or determination has not been reversed or otherwise invalidated.

(b) The commission shall relieve an employer that reasonably relies on a ruling or determination described by Subsection (a) from penalties, interest, or sanctions under this chapter or Chapter 214 that result from a subsequent ruling or determination that the service in question is employment. An

1 employer who receives relief under this subsection is not indebted
2 to the state for the penalties, interest, or sanctions from which
3 the employer is relieved and may not be considered delinquent on the
4 payment of taxes, to the extent of the amount from which the
5 employer is relieved.

6 (c) An employer may reasonably rely on a ruling or
7 determination under Subsection (a) until the earlier of:

8 (1) the effective date of the subsequent ruling or
9 determination invalidating the ruling or determination on which the
10 employer reasonably relied; or

11 (2) the third anniversary of the due date of a
12 contribution based on the service in question.

13 (d) This section applies only if the commission determines
14 that the nature of the business and the service in question are
15 substantially unchanged from the time the initial ruling was issued
16 or the initial determination was made.

17 SECTION 2. This Act takes effect September 1, 2011.