

By: Murphy

H.B. No. 2581

A BILL TO BE ENTITLED

AN ACT

relating to the computation of a surplus credit and a surplus credit rate for certain successor employing units.

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

SECTION 1. Subchapter E, Chapter 204, Labor Code, is amended by adding Section 204.0861 to read as follows:

Sec. 204.0861. SURPLUS CREDIT AND SURPLUS CREDIT RATE FOR SUCCESSOR EMPLOYING UNITS. (a) In this section:

(1) "Surplus credit" means a credit described by Section 204.0651.

(2) "Surplus credit rate" means a rate described by Section 204.0652.

(b) A successor employing unit to which compensation experience is transferred under Section 204.083 is entitled to a surplus credit and surplus credit rate attributable to, but not applied or received by, the predecessor employing unit.

(c) A successor employing unit to which compensation experience is transferred under Section 204.084 is entitled to a surplus credit and surplus credit rate attributable to, but not applied or received by, the predecessor employing unit for the part of the organization, trade, or business acquired by the successor employing unit if the commission determines that the requirement described by Section 204.084(c)(3) is satisfied.

(d) If the commission determines that a transfer of

1 compensation experience was accomplished solely or primarily for
2 the purpose of obtaining a lower contribution rate, a successor
3 employing unit is not entitled to, and may not apply or receive, a
4 surplus credit and surplus credit rate under Subsection (b) or (c).

5 (e) A predecessor employing unit is not entitled to, and may
6 not apply or receive, all or any portion of a surplus credit or
7 surplus credit rate that is based on compensation experience that
8 is transferred to a successor employing unit under this subchapter.

9 (f) The commission shall adopt rules necessary to implement
10 and enforce this section, including rules that ensure that only a
11 successor employing unit applies or receives all or part of a
12 surplus credit or surplus credit rate previously attributable to a
13 predecessor employing unit.

14 SECTION 2. Section 204.0861, Labor Code, as added by this
15 Act, applies only to an acquisition of an organization, trade, or
16 business that occurs on or after the effective date of this Act. An
17 acquisition of an organization, trade, or business that occurs
18 before the effective date of this Act is governed by the law in
19 effect on the date the acquisition occurred, and that law is
20 continued in effect for that purpose.

21 SECTION 3. This Act takes effect September 1, 2011.