

By: Deuell
(Smith)

S.B. No. 658

A BILL TO BE ENTITLED

AN ACT

relating to the imposition and collection of a penalty for fraudulently obtaining unemployment compensation benefits.

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

SECTION 1. Subsection (b), Section 203.201, Labor Code, is amended to read as follows:

(b) The special administration fund consists of:

(1) all interest and penalties collected under this subtitle, other than a penalty assessed under Section 214.003(a)(2); and

(2) any amounts received under any surety bond for losses sustained by the special administration fund~~;~~ ~~and~~

~~[(3) money transferred under Section 203.103].~~

SECTION 2. The heading to Section 214.003, Labor Code, is amended to read as follows:

Sec. 214.003. FORFEITURE OR CANCELLATION OF BENEFITS PAID AND REMAINING BENEFITS; PENALTY.

SECTION 3. Section 214.003, Labor Code, is amended by amending Subsections (a) and (c) and adding Subsection (d) to read as follows:

(a) If, by wilful nondisclosure or misrepresentation of a material fact, whether the nondisclosure or misrepresentation is made by the person or for the person by another, a person receives a benefit when a condition imposed by this subtitle for the person's

1 qualifying for the benefit is not fulfilled or the person is
2 disqualified from receiving the benefit:

3 (1) [~~7~~] the person forfeits the:

4 (A) [~~(1)~~] benefit received; and

5 (B) [~~(2)~~] rights to benefits that remain in the
6 benefit year in which the nondisclosure or misrepresentation
7 occurred; and

8 (2) the commission shall require the person to pay a
9 penalty in an amount equal to 15 percent of the amount forfeited
10 under Subdivision (1)(A).

11 (c) A forfeiture, ~~or~~ cancellation, or penalty imposed
12 under this section is effective only after the person has been
13 afforded an opportunity for a fair hearing before the commission or
14 its duly designated representative.

15 (d) A person who is assessed a penalty by the commission
16 under Subsection (a)(2) is liable for the amount of the penalty.
17 The commission may collect the penalty in the same manner as
18 provided by Sections 213.031, 213.032, 213.033, 213.035, and
19 213.051 for the collection of past-due contributions. The
20 commission shall deposit a penalty assessed under Subsection (a)(2)
21 in the unemployment compensation fund established under Section
22 203.021.

23 SECTION 4. Section 214.003, Labor Code, as amended by this
24 Act, applies only to a final determination made by the Texas
25 Workforce Commission or the commission's duly designated
26 representative on or after October 1, 2013, that a person received a
27 benefit due to a nondisclosure or misrepresentation. A final

1 determination made before that date is governed by the law in effect
2 on the date the determination was made, and the former law is
3 continued in effect for that purpose.

4 SECTION 5. This Act takes effect October 1, 2013.