

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 12, 2013

TO: Honorable Bob Deuell, Chair, Senate Committee on Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1743 by Rodríguez (Relating to prohibiting employer retaliation against employees who seek recovery of unpaid wages and procedures in wage claim hearings conducted by the Texas Workforce Commission; providing administrative penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1743, As Introduced: an impact of \$0 through the biennium ending August 31, 2015.

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
2014	\$0
2015	\$0
2016	\$0
2017	\$0
2018	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>Unempl Comp Sp Adm Acct</i> 165	Probable (Cost) from <i>Unempl Comp Sp Adm Acct</i> 165	Change in Number of State Employees from FY 2013
2014	\$256,000	(\$246,113)	3.0
2015	\$256,000	(\$228,536)	3.0
2016	\$256,000	(\$228,536)	3.0
2017	\$256,000	(\$228,536)	3.0
2018	\$256,000	(\$228,536)	3.0

Fiscal Analysis

The bill would amend the Labor Code relating to prohibiting employer retaliation against employees who seek recovery of unpaid wages and procedures in wage claim hearings conducted by the Texas Workforce Commission (TWC); providing administrative penalties. The bill would require TWC to create a complaint form necessary to implement an administrative process for investigating retaliation complaints. The bill would also require the administrative penalty against employers for retaliation to be included with the preliminary wage determination order which would provide appeal rights. Also, the bill would provide for an administrative penalty against employers found to have retaliated against employees for seeking assistance in collecting unpaid wages. The bill would require the agency to adopt rules to implement the provisions of the bill.

The bill would take effect September 1, 2013.

Methodology

For the purpose of this analysis, it is assumed that TWC would need three new investigators to handle the increased workload. TWC estimates receiving approximately 320 retaliation complaints based on the provisions of the bill. In addition, TWC estimates that the mandatory \$1,000 retaliation penalty created under the provisions of the bill would generate approximately \$256,000 each year, which would be deposited in the Unemployment Insurance Special Administration Fund established under Subchapter E, Chapter 2013, Texas Labor Code. Estimated combined technology and administrative costs would total \$246,113 in fiscal year 2014 and \$228,536 in each subsequent fiscal year totaling \$1,160,257 for the five year period.

Technology

Based on information provided by TWC, technology costs of \$4,662 are estimated for fiscal year 2014 for computer leases for 3.0 Full-Time Equivalents (FTEs).

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 320 Texas Workforce Commission

LBB Staff: UP, RB, MW, NV