

BILL ANALYSIS

Senate Research Center
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H.B. 2732
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Natural Resources & Economic Development
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

As the state agency charged with operating the Texas unemployment compensation program, the Texas Workforce Commission (TWC) must ensure that the program operates in conformity with applicable federal laws governing state unemployment compensation programs. If the state's unemployment compensation laws are not in conformity with federal law, the state runs the risk of losing federal funding. There are concerns that recently enacted federal legislation requires states to submit certain types of debt for offset recovery via the federal Treasury Offset Program, but that TWC does not currently have the authority to comply with the new federal legislation. H.B. 2732 seeks to remedy this situation by harmonizing state law with newly enacted federal law.

H.B. 2732 amends current law relating to recovery of covered unemployment compensation debt through participation in the federal Treasury Offset Program.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 214, Labor Code, by adding Section 214.009, as follows:

Sec. 214.009. RECOVERY OF COVERED UNEMPLOYMENT COMPENSATION DEBT THROUGH FEDERAL TREASURY OFFSET PROGRAM. (a) Defines "program."

(b) Authorizes the Texas Workforce Commission (TWC) to collect the following covered unemployment compensation debt through the federal Treasury Offset Program (program):

(1) a past-due debt for erroneous payment of benefits due to fraud that has become final under law and remains uncollected;

(2) a past-due debt for erroneous payment of benefits due to a person's failure to report earnings, even if non-fraudulent, that has become final under law and remains uncollected;

(3) a past-due employer contribution owed to the compensation fund for which TWC has determined the person to be liable and that remains uncollected; and

(4) any penalties and interest assessed by TWC on a debt described by Subdivision (1), (2), or (3).

(c) Requires TWC, before submitting covered unemployment compensation debt for recovery under the program, to:

(1) notify the debtor by regular United States mail that TWC plans to recover the debt through the offset of any federal tax refund;

(2) provide the debtor at least 60 days following the date the notice is provided under Subdivision (1) to present to TWC evidence that all or part of the debt is not:

(A) legally enforceable;

(B) due to fraud or unreported earnings; or

(C) a contribution owed to the compensation fund; and

(3) consider any evidence presented by the debtor to determine the amount of debt that is legally enforceable and owed.

(d) Authorizes TWC, in considering evidence presented by a debtor under Subsection (c), to determine only whether the debtor has demonstrated that the debt is not subject to recovery through the program so that TWC is able to minimize erroneous offsets. Prohibits TWC from reviewing the initial determination establishing the debtor's liability.

(e) Requires TWC to assess against the debtor the cost of any administrative fee charged by the United States Department of the Treasury for each offset. Authorizes TWC to add the assessed amount to the covered unemployment compensation debt that is offset under the program.

SECTION 2. Effective date: September 1, 2015.