

By: Meyer

H.B. No. 3661

A BILL TO BE ENTITLED

AN ACT

relating to recovery of covered unemployment compensation debt through participation in the federal Treasury Offset Program.

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

SECTION 1. Chapter 214, Labor Code, is amended by adding Section 214.009 to read as follows:

Sec. 214.009. RECOVERY OF COVERED UNEMPLOYMENT COMPENSATION DEBT THROUGH FEDERAL TREASURY OFFSET PROGRAM. (a) In this section, "program" means the federal Treasury Offset Program authorized by 26 U.S.C. Section 6402(f).

(b) The commission may collect the following covered unemployment compensation debt through the 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 the commission has determined the person to be liable and that remains uncollected; and

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

1 (c) Before submitting covered unemployment compensation
2 debt for recovery under the program, the commission must:

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

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

9 (A) legally enforceable;

10 (B) due to fraud or unreported earnings; or

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

12 and

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

15 (d) In considering evidence presented by a debtor under
16 Subsection (c), the commission may determine only whether the
17 debtor has demonstrated that the debt is not subject to recovery
18 through the program so that the commission is able to minimize
19 erroneous offsets. The commission may not review the initial
20 determination establishing the debtor's liability.

21 (e) The commission shall assess against the debtor the cost
22 of any administrative fee charged by the United States Department
23 of the Treasury for each offset. The commission may add the
24 assessed amount to the covered unemployment compensation debt that
25 is offset under the program.

26 SECTION 2. This Act takes effect September 1, 2015.