

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 19, 2015

TO: Honorable Angie Chen Button, Chair, House Committee on Economic & Small Business Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3150** by Huberty (Relating to the calculation of taxable wages paid by a professional employer organization for purposes of the Texas Unemployment Compensation Act.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Labor Code relating to the calculation of taxable wages paid by a professional employer organization for purposes of the Texas Unemployment Compensation Act. Based on provisions of the bill the Texas Workforce Commission (TWC) anticipates a total five-year cost of \$84.2 million to the Unemployment Compensation Fund. According to information provided by TWC, the U.S. Department of Labor (DOL) declined to issue an opinion as to whether provisions of the bill are conforming to Federal law. If DOL subsequently determines that the provisions are nonconforming, TWC anticipates that the severability provisions of the Texas Unemployment Compensation Act at Texas Labor Code, Section 201.101, could not be applied, because the bill amends Texas Labor Code, Chapter 91, which is outside the purview of Section 201.101.

Based on information provided by TWC, all the duties and responsibilities associated with implementing the provisions of the bill, related to funds inside of the treasury, could be accomplished by utilizing existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission

LBB Staff: UP, CL, NV, JLi