

House Bill 1251
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Section 204.081, Labor Code, is amended to read as follows:

Sec. 204.081. DEFINITIONS. (a) In this subchapter:

(1) "Compensation experience" includes the period that benefit wage credits or benefits have been chargeable and any other factor under Subchapter A, B, C, or D necessary to the computation of experience rating under those subchapters.

(2) "Person" means an individual, trust, estate, partnership, association, company, or corporation.

(3) "Substantially common management or control" exists if, after the acquisition of the organization, trade, or business of an employing unit, the predecessor employing unit continues to:

(A) own or manage the organization that conducts the organization, trade, or business;

(B) own or manage the assets necessary to conduct the organization, trade, or business;

(C) control through security or lease arrangements the assets necessary to conduct the organization, trade, or business; or

(D) direct the internal affairs or conduct of the organization, trade, or business.

(4) "Substantially common ownership" exists if, on the date of an acquisition of the organization, trade, or business of an employing unit, a shareholder, officer, or other owner of a legal or equitable interest in the predecessor employing unit, or the spouse or a person within the first degree of consanguinity or affinity, as determined under Chapter 573, Government Code, of the shareholder, officer, or other owner:

(A) is a shareholder, officer, or other owner of a legal or equitable interest in the successor employing unit; or

(B) holds an option to purchase a legal or equitable interest in the successor employing unit.

SENATE VERSION (CS)

SECTION 1. Same as House version.

CONFERENCE

House Bill 1251
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

(5) "Transfer of trade or business" includes the transfer of part or all of an employer's workforce to another employer if, as the result of the transfer, the transferring employer no longer performs trade or business with respect to the transferred workforce and the employer to whom the workforce is transferred performs trade or business with respect to the workforce.

(6) "Knowingly" means having actual knowledge of or acting with deliberate ignorance of or reckless disregard for the prohibition involved.

(b) For purposes of Subsection (a)(4), following a partial acquisition of an organization, trade, or business of an employing unit, substantially common ownership does not exist solely because the predecessor employing unit has the right to repossess the part acquired by the successor employing unit in the event of the successor's failure to complete a condition of the acquisition.

SECTION 2. Section 204.085, Labor Code, is amended by adding Subsections (a-1) and (e) to read as follows:

(a-1) In the case of a partial acquisition for which the transfer of compensation experience is required under Section 204.083, the commission shall require the predecessor employer and successor employer to jointly submit, not later than the second anniversary of the date the partial acquisition was completed, information necessary for making the determination described by Subsection (a). The period for which the required information must be submitted is the lesser of:

- (1) four years; or
- (2) the length of time the predecessor employer was liable for

SENATE VERSION (CS)

SECTION 2. Section 204.085, Labor Code, is amended by adding Subsections (a-1) and (e) to read as follows:

(a-1) In the case of a partial acquisition for which the transfer of compensation experience is required under Section 204.083, the predecessor employer and successor employer may jointly submit, not later than the second anniversary of the date the partial acquisition was completed, information necessary for making the determination described by Subsection (a). The period for which the information is submitted must be the lesser of:

- (1) four years; or
- (2) the length of time the predecessor employer was liable for

CONFERENCE

House Bill 1251
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

the payment of a tax under this subtitle.

(e) The commission shall include information about the availability of a partial transfer of compensation experience under this subchapter:

(1) with the information provided by the commission to each new employer; and

(2) on any form, including in electronic format, required to be submitted by an employer to report a change of status.

SECTION 3. Sections 204.081(b) and 204.085(a-1), Labor Code, as added by this Act, apply only to a partial acquisition of an organization, trade, or business of an employing unit that occurs on or after the effective date of this Act. An acquisition that occurs before the effective date of this Act is governed by the law in effect on the date the acquisition occurred, and the former law is continued in effect for that purpose.

SECTION 4. This Act takes effect September 1, 2015.

SENATE VERSION (CS)

the payment of a tax under this subtitle.

(e) The commission shall include information about the availability of a partial transfer of compensation experience under this subchapter:

(1) with the information provided by the commission to each new employer; and

(2) on any form, including in electronic format, required to be submitted by an employer to report a change of status.

SECTION 3. Same as House version.

SECTION 4. Same as House version.

CONFERENCE