

## **BILL ANALYSIS**

S.B. 2296  
By: Powell  
International Relations & Economic Development  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties assert that there is an advantage and convenience that common paymaster payrolling can bring to a group of related companies, such as small businesses owned by a single family unit. In recognition of these benefits, S.B. 2296 seeks to classify a common paymaster as an employing unit under the Texas Unemployment Compensation Act.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Workforce Commission in SECTION 1 of this bill.

### **ANALYSIS**

S.B. 2296 amends the Labor Code to classify a common paymaster, as defined by federal law, as an employing unit under the Texas Unemployment Compensation Act. The bill requires the Texas Workforce Commission to adopt rules as necessary to implement that inclusion of common paymaster and provides that the inclusion of common paymaster to the definition of "employing unit" does not negate a person's obligations with respect to acquisitions of experience-rated employers and transfers of compensation experience.

### **EFFECTIVE DATE**

January 1, 2020.