

BILL ANALYSIS

Senate Research Center
87S30315 RDS-D

S.B. 2
By: Nelson
Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas employers pay unemployment taxes to support the unemployment compensation fund, from which unemployment benefits are paid. State statute requires that the unemployment compensation fund maintain a balance above one percent of all taxable wages in the state. Resulting from unprecedented unemployment claims due to the COVID-19 pandemic, the fund fell beneath its floor and was fully depleted by June 2020. This required the Texas Workforce Commission to request Title XII loans from the federal government to pay unemployment claims. S.B. 2 makes an appropriation from the Coronavirus State Fiscal Recovery Fund, as part of the American Rescue Plan Act of 2021, to the unemployment compensation fund for the purpose of paying back federal loans and returning the unemployment compensation fund to the statutory floor. This is the amount required to ensure no deficit tax assessment is levied on Texas employers.

As proposed, S.B. 2 amends current law relating to an appropriation of certain federal coronavirus relief money for paying down the state's unemployment insurance debt.

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. APPROPRIATION: UNEMPLOYMENT COMPENSATION FUND. Provides that for the two-year period beginning on the effective date of this Act, the amount of \$7,245,419,946 is appropriated to the Comptroller of Public Accounts of the State of Texas from money received by this state from the Coronavirus State Fiscal Recovery Fund (42 U.S.C. Section 802) established under the American Rescue Plan Act of 2021 (Pub. L. No. 117-2) and deposited to the credit of the Coronavirus Relief Fund No. 325, for deposit to the credit of the unemployment compensation fund under Section 203.021 (Unemployment Compensation Fund; Separate Accounts), Labor Code, for the purpose of paying back outstanding advances received by this state under Section 1201, Social Security Act (42 U.S.C. Section 1321), and returning the unemployment compensation fund to the statutory floor computed under Section 204.061 (Ceiling and Floor of Compensation Fund), Labor Code, on October 1, 2021, as reimbursement for payments made as a result of the coronavirus disease pandemic.

SECTION 2. EFFECTIVE DATE. Effective date: upon passage or the 91st day after the last day of the legislative session.