

## **BILL ANALYSIS**

S.B. 695  
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Business & Industry  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

It has been suggested that while the Texas Workforce Commission (TWC) is responsible for enforcing employer violations of the Texas Unemployment Compensation Act, the agency lacks an avenue to effectively and efficiently pursue collection actions against employers who fail to meet their tax obligations under the law. Currently, if an employer does not pay a required penalty or contribution after being notified, the TWC may either bring a civil action against the employer or serve a notice of assessment on the employer. However, a notice of assessment must be served in the manner provided by law for service of process on a defendant in a civil action in district court, which means that the TWC has to hire a third-party process server, resulting in additional costs and delays. S.B. 695 seeks to remedy this situation by revising the method through which a notice of assessment is served under the 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 this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

S.B. 695 amends the Labor Code to revise the method through which a notice of assessment is required to be served by the Texas Workforce Commission (TWC) under the Texas Unemployment Compensation Act by requiring a notice to be served on a defaulting employer as follows:

- by personal delivery;
- by registered or certified mail, return receipt requested, or similar common carrier method to the employer's address as shown by TWC records; or
- if an attempt to serve a notice of the assessment by personal delivery or common carrier has been unsuccessful, in another manner that is reasonably calculated to give the employer notice of the assessment.

### **EFFECTIVE DATE**

September 1, 2021.