

BILL ANALYSIS

Senate Research Center

C.S.S.B. 215
By: Nixon
Economic Development
3-3-97
Committee Report (Substituted)

DIGEST

Currently, a reimbursing employer is a governmental agency or a nonprofit entity that does not pay state or federal unemployment tax. A reimbursing employer reimburses the state for all payments made to former employees who file eligible unemployment compensation claims. Reimbursing employers cannot contest unemployment compensation benefits to former employees whose benefits would have originally been disqualified unless it was the final employer before the claim was filed. If the employer "for whom the person last worked" was defined as one for which the employee had worked for at least six weeks or an employer who is covered by unemployment insurance law, a reimbursing employer may obtain notice and protest rights under certain conditions. If an employee's "last work" did not fall within one of the two categories, the employee would be prohibited from naming that employer as the "last employer." Such a result would give the reimbursing employer notice of the separation and protest rights. This bill sets forth the definition of a "person for whom the claimant last worked" as the last individual or organization for whom the claimant worked for at least six weeks, or an entity that provides insured employment for whom the claimant last worked prior to the initial claim.

PURPOSE

As proposed, C.S.S.B. 215 defines a "person for whom the claimant last worked" in regard to notice and protest rights of certain reimbursing employers under the unemployment compensation system.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 201.011, Chapter 201B, Labor Code, by adding Subsection(16) to define a "person for whom the claimant last worked" as the last individual or organization for whom the claimant worked for at least six weeks, or an entity that provides insured employment under the law of this State, another state, or the U.S. for whom the claimant last worked prior to the initial claim.

SECTION 2. Effective date: September 1, 1997.
Makes application of this Act prospective.

SECTION 3. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

Amends SECTION 1, Section 201.011, Labor Code, by replacing proposed new Section 205.0115, Labor Code, relating to notice and protest rights for certain reimbursing employers, with a definition for a "person for whom the claimant last worked."

Amends SECTION 2, to provide that the Act is applicable and prospective to a claim for unemployment compensation benefits that is filed with the Texas Workforce Commission (TWC) on or after the effective date. The original proposed session law provided that the Act applies only to notice and protest rights of an employer regarding a claim for unemployment compensation benefits

filed with the TWC on or after the effective date.