

BILL ANALYSIS

Senate Research Center
78R3152 PB-D

H.B. 1819
By: Oliveira (Lucio)
Business & Commerce
4/17/2003
Engrossed

DIGEST AND PURPOSE

In regards to unemployment insurance, a chargeback is when benefits of a former employee are charged to the account of an employer; this is used in determining an employer's unemployment insurance tax rate. Chargeback relief is when the employer's account is not charged.

In 2001, the bridge connecting South Padre Island to the mainland collapsed after being struck by a barge that was forced off course by high tides. The governor declared the area a disaster, but President Bush declined to make the same declaration. Although chargeback relief was granted for this incident, it uncovered a weakness in current statute; if the accident had been caused by human error, the Texas Workforce Commission would not have been able to extend relief unless the president had declared the area a disaster. H.B. 1819 provides chargeback relief for employers who have been affected by any event declared a disaster by the governor.

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. Amends Section 204.022(a), Labor Code, to prohibit benefits computed on benefit wage credits of an employee or former employee from being charged to the account of an employer if the employee's last separation from the employer's employment before the employee's benefit year was based on a disaster that results in a disaster declaration by the governor under Section 418.014, Government Code.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: upon passage or September 1, 2003.