

## **BILL ANALYSIS**

Senate Research Center  
84R6980 KSD-F

H.B. 3373  
By: Miller, Doug et al. (Hancock)  
Natural Resources & Economic Development  
5/19/2015  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Many political subdivisions are classified as a reimbursing employer under the Texas Unemployment Compensation Act, which is an employer that reimburses the State of Texas for unemployment benefits paid by the state to former employees of the political subdivision who qualify for benefits. Concerns have arisen that under existing law, a political subdivision is required to make reimbursement payments even though the former employee of the political subdivision did not qualify for unemployment benefits when the employment arrangement ended, such as a situation in which the former employee was discharged for misconduct or the employee voluntarily terminated employment to seek other employment. H.B. 3373 seeks to address this concern by clarifying the liability of reimbursing employers under the Texas Unemployment Compensation Act.

H.B. 3373 amends current law relating to the liability of reimbursing employers under the Texas Unemployment Compensation Act.

### **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 Subchapter B, Chapter 205, Labor Code, by adding Section 205.0125, as follows:

Sec. 205.0125. EXCEPTION FROM DUTY TO PAY REIMBURSEMENT. (a) Provides that, notwithstanding any other provision of this chapter, a reimbursing employer is not liable for paying a reimbursement for benefits paid to an individual, regardless of whether the employer was named as the individual's last work, if the individual's separation from work with the employer resulted from the individual being discharged for misconduct or voluntarily leaving work without good cause connected with the individual's work.

(b) Authorizes a reimbursing employer to contest reimbursements billed to the employer by the Texas Workforce Commission in violation of this section using the dispute resolution procedures prescribed by Chapter 212 (Dispute Resolution) and rules adopted under that chapter.

SECTION 2. Makes application of this Act prospective in regards to a claim for unemployment compensation benefits.

SECTION 3. Effective date: September 1, 2015.