

BILL ANALYSIS

H.B. 3373
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Economic & Small Business Development
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Many political subdivisions are classified as a reimbursing employer under the Texas Unemployment Compensation Act, which informed observers note 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. These observers express concern 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.

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

H.B. 3373 amends the Labor Code to make a reimbursing employer under the Texas Unemployment Compensation Act 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. The bill authorizes a reimbursing employer to contest reimbursements billed to the employer by the Texas Workforce Commission in violation of the bill's provisions using dispute resolution procedures prescribed by the Texas Unemployment Compensation Act and rules adopted under dispute resolution provisions of that act.

EFFECTIVE DATE

September 1, 2015.