

BILL ANALYSIS

Senate Research Center

S.B. 215
By: Nixon
Economic Development
2-3-97
As Filed

DIGEST

Currently, a reimbursing employer has notice and protest rights only if it is the final employer before a claimant files an unemployment claim. A reimbursing employer is a governmental agency or a non-profit entity that does not pay state or federal unemployment insurance tax. A reimbursing employer reimburses the state for all payments made to former employees who file eligible unemployment compensation claims. Without additional notice or protest rights, reimbursing employers cannot contest unemployment compensation benefits that employers are required to pay to former employees whose benefits were originally disqualified. This bill would give notice and protest rights to reimbursing employers (in lieu of the final employer) if the claimant's last work was for a period of less than six weeks, performed for a non-covered employer, and the reimbursing employer was the claimant's last employer in the base period. The term "base period" refers to the first four of the last five completed calendar quarters immediately preceding the date of an initial claim for unemployment compensation.

PURPOSE

As proposed, S.B. 215 sets forth the conditions giving reimbursing employers the opportunity to protest a claim for unemployment benefits made by a base period employee.

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 Chapter 205B, Labor Code, by adding Section 205.0115, as follows:

Sec. 205.0115. NOTICE AND PROTEST RIGHTS OF CERTAIN REIMBURSING EMPLOYERS. Sets forth the conditions by which a reimbursing employer is entitled to the notice and protest rights afforded an employer who pays contributions in lieu of the person for whom the claimant last worked, notwithstanding Section 205.011, Labor Code, relating to the rights and privileges of a reimbursing employer, and any other provision of Title 4A, Labor Code, relating to the Texas Unemployment Compensation Act.

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

SECTION 3. Emergency clause.