

AN ACT

relating to state agency enforcement of laws regulating small businesses.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 2006, Government Code, is amended by adding Section 2006.003 to read as follows:

Sec. 2006.003. OPPORTUNITY TO REMEDY VIOLATION; POLICY.

(a) This section applies only to a state agency with regulatory authority over a small business.

(b) A state agency may not impose an administrative penalty against a small business for a first violation of a statute or a rule administered by the agency, other than a violation committed knowingly or intentionally, unless the agency first provides the small business written notice of the violation and an opportunity to remedy the violation within a reasonable time after receiving the notice. Notwithstanding any other law, a violation is not considered to be a continuing violation during the reasonable time in which the small business attempts in good faith to remedy the violation.

(c) Each state agency subject to this section shall adopt a policy consistent with the requirements of Subsection (b). The policy must provide that the agency will not attempt to recover an administrative penalty during the reasonable time the small business is attempting in good faith to remedy the violation.

1        (d) This section does not apply to an action taken by:

2                (1) a state agency to protect public health and safety  
3 or the environment;

4                (2) an officer listed in Section 411.0765(b)(18) in  
5 connection with the regulation of financial services; or

6                (3) the Texas Workforce Commission if the action is  
7 required to conform to or comply with federal law.

8                SECTION 2. Not later than January 1, 2022, each state agency  
9 shall adopt and implement the policy required by Section 2006.003,  
10 Government Code, as added by this Act.

11                SECTION 3. A state agency with regulatory authority over a  
12 small business is required to implement Section 2006.003,  
13 Government Code, as added by this Act, only if the legislature  
14 appropriates money specifically for that purpose. If the  
15 legislature does not appropriate money specifically for that  
16 purpose, the state agency may, but is not required to, implement  
17 Section 2006.003, Government Code, as added by this Act, using  
18 other appropriations available for the purpose.

19                SECTION 4. This Act takes effect September 1, 2021.

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President of the Senate

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Speaker of the House

I hereby certify that S.B. No. 424 passed the Senate on April 8, 2021, by the following vote: Yeas 30, Nays 0; and that the Senate concurred in House amendments on May 28, 2021, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

I hereby certify that S.B. No. 424 passed the House, with amendments, on May 25, 2021, by the following vote: Yeas 145, Nays 0, one present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor