

By: Dorazio

H.B. No. 1065

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the classification of employees of a company license
3 holder under the Private Security Act.

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

5 SECTION 1. Subchapter F, Chapter 1702, Occupations Code, is
6 amended by adding Section 1702.116 to read as follows:

7 Sec. 1702.116. VERIFICATION OF EMPLOYMENT CLASSIFICATION
8 FOR COMPANY LICENSE ISSUANCE. Before the department may issue a
9 company license under this chapter, the department must inspect the
10 employment records of the applicant to confirm that the applicant
11 has not misclassified employees as independent contractors in
12 violation of applicable federal guidelines.

13 SECTION 2. Section 1702.127, Occupations Code, is amended
14 by adding Subsection (b-1) to read as follows:

15 (b-1) A company license holder may not intentionally
16 misclassify an employee as an independent contractor in violation
17 of applicable federal guidelines.

18 SECTION 3. Subchapter M, Chapter 1702, Occupations Code, is
19 amended by adding Section 1702.3025 to read as follows:

20 Sec. 1702.3025. VERIFICATION OF EMPLOYMENT CLASSIFICATION
21 FOR COMPANY LICENSE RENEWAL. Before the department may renew a
22 company license under this chapter, the department must inspect the
23 employment records of the license holder to confirm that the
24 license holder has not misclassified employees as independent

1 contractors in violation of applicable federal guidelines.

2 SECTION 4. Sections 1702.116 and 1702.3025, Occupations
3 Code, as added by this Act, apply only to an application for the
4 issuance or renewal of a company license under Chapter 1702,
5 Occupations Code, that is submitted on or after the effective date
6 of this Act. An application submitted before the effective date of
7 this Act is governed by the law in effect on the date the
8 application was submitted, and the former law is continued in
9 effect for that purpose.

10 SECTION 5. This Act takes effect September 1, 2025.