

By: Reynolds

H.B. No. 4245

A BILL TO BE ENTITLED

AN ACT

relating to compensatory and punitive damage limits in employment discrimination claims.

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

SECTION 1. Section 21.2585, Labor Code, is amended by amending Subsection (d) and adding Subsection (d-1) to read as follows:

(d) Subject to Subsection (d-1), the ~~[The]~~ sum of the amount of compensatory damages awarded under this section for future pecuniary losses, emotional pain, suffering, inconvenience, mental anguish, loss of enjoyment of life, and other nonpecuniary losses and the amount of punitive damages awarded under this section may not exceed, for each complainant:

(1) \$50,000 in the case of a respondent that has fewer than 101 employees;

(2) \$100,000 in the case of a respondent that has more than 100 and fewer than 201 employees;

(3) \$200,000 in the case of a respondent that has more than 200 and fewer than 501 employees; and

(4) \$300,000 in the case of a respondent that has more than 500 employees.

(d-1) When the consumer price index increases with respect to the amount of that index on September 1, 2025, the limits on damages prescribed by Subsection (d) shall be increased by a sum

1 equal to the amount of such limit multiplied by the percentage
2 increase in the consumer price index, as published by the Bureau of
3 Labor Statistics of the United States Department of Labor, that
4 measures the average changes in prices of goods and services
5 purchased by urban wage earners and clerical workers' families
6 (CPI-W: Seasonally Adjusted U.S. City Average--All Items),
7 between September 1, 2025, and the time at which damages subject to
8 such limits are awarded by final judgment or settlement.

9 SECTION 2. Section [21.2585\(d-1\)](#), Labor Code, as added by
10 this Act, applies only to a complaint in relation to an unlawful
11 employment practice that occurs on or after the effective date of
12 this Act. A complaint in relation to an unlawful employment
13 practice that occurs before the effective date of this Act is
14 governed by the law in effect on the date the unlawful employment
15 practice occurred, and the former law is continued in effect for
16 that purpose.

17 SECTION 3. This Act takes effect September 1, 2025.