

By: Leibowitz

H.B. No. 1730

A BILL TO BE ENTITLED

AN ACT

relating to the enforceability of certain contracts between an employer who does not have workers' compensation coverage and an employee of the employer.

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

SECTION 1. Section 406.033, Labor Code, is amended by adding Subsection (h) to read as follows:

(h) A contract entered into between an employer who does not have workers' compensation coverage and an employee of the employer is unconscionable and unenforceable if the contract:

(1) affects a procedural or substantive right of the employee to recover damages for personal injury or death sustained by the employee in the course and scope of the employee's employment; and

(2) is entered into before the 10th day after the date the cause of action against the employer arises.

SECTION 2. Section 406.033(h), Labor Code, as added by this Act, applies only to a contract entered into on or after the effective date of this Act. A contract entered into before the effective date of this Act is governed by the applicable law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2007.