BILL ANALYSIS

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The federal Lilly Ledbetter Act was passed in response to *Ledbetter v. Goodyear Tire & Rubber Co.*, a United States Supreme Court decision holding that the statute of limitations for filing an equal-pay lawsuit begins at the date the pay was agreed upon, not the date of the most recent paycheck. This decision precluded lawsuits by plaintiffs who alleged ongoing pay discrimination, but who did not discover it until years after the discrimination began.

H.B. 950 clarifies the statute of limitations with regard to certain claims of unlawful discrimination brought under state law, and codifies the Lilly Ledbetter Act under state law.

H.B. 950 is needed under state law to provide uniformity between state and federal anti-discrimination laws so that employees and employers have consistent laws governing employment relations, in harmony with Section 21.001 (Purposes) of the Texas Labor Code. It is also needed to allow parties to proceed in a nearby state court, while at the same time avoid the increased expense of having to proceed in a federal court which may be far away. Further, the Fort Worth Court of Appeals ruled recently in *Tarrant Regional Water District v. Villanueva, 331 S.W.3d 125* (Tex. App.--Fort Worth 2010, pet. filed) that Lilly Ledbetter protections do not apply to state cases absent action by the legislature, thus barring Ms. Villanueva's claims for discriminatory pay. Finally, the Texas Supreme Court issued a decision on August 31, 2012 in *Prairie View A&M v. Chatha*, and made it clear that Texas law does not provide the protections of the Lilly Ledbetter Act.

H.B. 950 amends current law relating to unlawful employment practices regarding discrimination in payment of compensation.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 21.202(a), Labor Code, as follows:

> (a) Requires that a complaint under this subchapter be filed not later than the 180th day after the date the alleged unlawful employment practice occurred. Provides that, with respect to an allegation of discrimination in payment of compensation in violation of this chapter, an unlawful employment practice occurs each time:
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> > (1) a discriminatory compensation decision or other practice is adopted;
> >
> > (2) an individual becomes subject to a discriminatory compensation decision or other practice; or
> >
> > (3) an individual is adversely affected by application of a discriminatory compensation decision or other practice, including each time wages, benefits, or other compensation affected wholly or partly by such a decision or other practice is paid.

SECTION 2. Amends Section 21.258, Labor Code, by amending Subsection (c) and adding Subsection (d), as follows:

(c) Prohibits liability under a back pay award, except as otherwise provided by this subsection, from accruing for a date more than two years before the date a complaint is filed with the Texas Workforce Commission civil rights division. Authorizes liability to accrue, and an aggrieved person is authorized to obtain relief as provided by this subchapter, including recovery of back pay for up to two years preceding the date of filing the complaint, if the unlawful employment practices that have occurred during the period for filing a complaint are similar or related to unlawful employment practices with regard to discrimination in payment of compensation that occurred outside the period for filing a complaint.

(d) Creates this subsection from existing text. Provides that interim earnings, workers' compensation benefits, and unemployment compensation benefits received operate to reduce the back pay otherwise allowable under this section.

SECTION 3. Effective date: upon passage or September 1, 2013.