

BILL ANALYSIS

H.B. 162
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Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

While most Texas businesses operate honestly, others have been reported to violate labor laws, resulting in unfair competition for lawful businesses and the loss of both sales tax and unemployment insurance tax revenue. Recent studies on wage theft and worker misclassification in the Texas construction industry indicate that workers may have lost more than \$100 million in wages, while the state may have lost nearly \$10 million in sales tax revenue and as much as \$55 million in unemployment insurance tax revenue. H.B. 162 seeks to increase protection for Texas workers from wage theft by amending the applicable law.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 162 amends the Labor Code to remove the authority of a Texas Workforce Commission (TWC) examiner, a wage claim appeal tribunal, or the TWC to assess an administrative penalty against an employer who the examiner, tribunal, or TWC determines acted in bad faith in not paying wages as required by applicable state law and instead requires a TWC examiner, a wage claim appeal tribunal, or the TWC to assess such an administrative penalty. The bill specifies that acts that constitute bad faith by an employer for such purposes include a history of previous violations of statutory provisions relating to the payment of wages, failure to pay wages to an employee as an act of discrimination or retaliation against the employee, failure to pay wages to multiple employees at the same time, failure to pay wages to an employee knowing that the failure was a violation of state law, or actions showing reckless disregard of the requirements of those statutory provisions.

EFFECTIVE DATE

September 1, 2015.