

1-1 By: Hinojosa, Blanco S.B. No. 424  
 1-2 (In the Senate - Filed January 25, 2021; March 9, 2021, read  
 1-3 first time and referred to Committee on Business & Commerce;  
 1-4 April 6, 2021, reported adversely, with favorable Committee  
 1-5 Substitute by the following vote: Yeas 9, Nays 0; April 6, 2021,  
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 424 By: Nichols

1-19 A BILL TO BE ENTITLED  
 1-20 AN ACT

1-21 relating to state agency enforcement of laws regulating small  
 1-22 businesses.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Subchapter A, Chapter 2006, Government Code, is  
 1-25 amended by adding Section 2006.003 to read as follows:

1-26 Sec. 2006.003. OPPORTUNITY TO REMEDY VIOLATION; POLICY.

1-27 (a) This section applies only to a state agency with regulatory  
 1-28 authority over a small business.

1-29 (b) A state agency may not impose an administrative penalty  
 1-30 against a small business for a first violation of a statute or a  
 1-31 rule administered by the agency, other than a violation committed  
 1-32 knowingly or intentionally, unless the agency first provides the  
 1-33 small business written notice of the violation and an opportunity  
 1-34 to remedy the violation within a reasonable time after receiving  
 1-35 the notice. Notwithstanding any other law, a violation is not  
 1-36 considered to be a continuing violation during the reasonable time  
 1-37 in which the small business attempts in good faith to remedy the  
 1-38 violation.

1-39 (c) Each state agency subject to this section shall adopt a  
 1-40 policy consistent with the requirements of Subsection (b). The  
 1-41 policy must provide that the agency will not attempt to recover an  
 1-42 administrative penalty during the reasonable time the small  
 1-43 business is attempting in good faith to remedy the violation.

1-44 (d) This section does not apply to an action taken by:

1-45 (1) a state agency to protect public health and safety  
 1-46 or the environment;

1-47 (2) an officer listed in Section 411.0765(b)(18) in  
 1-48 connection with the regulation of financial services; or

1-49 (3) the Texas Workforce Commission if the action is  
 1-50 required to conform to or comply with federal law.

1-51 SECTION 2. Not later than January 1, 2022, each state agency  
 1-52 shall adopt and implement the policy required by Section 2006.003,  
 1-53 Government Code, as added by this Act.

1-54 SECTION 3. This Act takes effect September 1, 2021.

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