**BILL ANALYSIS**

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| Senate Research Center | S.B. 130 |
| 88R1004 JSC-D | By: Campbell |
|  | Business & Commerce |
|  | 3/10/2023 |
|  | As Filed |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Background:

In Texas we embrace statewide policies that promote economic prosperity and discourage cities from overregulating the marketplace. Because paid sick leave mandates drive up labor costs for businesses, the government-forced expenses have to be made up somewhere — either by cutting staff, paying workers less, or raising consumer prices. None of this is good for Texas families.

Three Texas municipalities have adopted regulations that dictate specific benefits private businesses must provide to their employees. These ordinances come with high regulatory costs and strict fines for non-compliance, which could harm the ability of family-owned businesses and mom-and-pop shops to stay open.

All three paid sick leave ordinances in Texas are enjoined, having been found to be unconstitutional for being in violation of the Texas Minimum Wage Act, and employers are not required to obey with the ordinances at this time. However, the Supreme Court of Texas declined a request to review the Third Court of Appeals' decision involving paid sick leave ordinances, and the underlying litigation involving that ordinance remains pending.

The Bill:

SB 130 seeks to end the sick pay leave pending litigation by prohibiting municipalities and counties from adopting or enforcing ordinances, rules, or regulations that require employers to provide employment benefits. This makes it clear that Texas protects the present and future backbone of our economy, our small businesses.

SB 130 amends Section 62.002 of the Labor Code clarifying that regulation of these matters remains under the authority of the state.

As proposed, S.B. 130 amends current law relating to wages and employment benefits.

**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. Requires that this Act be known as the Texas Small Business Protection Act.

SECTION 2. Amends Section 62.002, Labor Code, by adding Subdivision (8) to define "wages."

SECTION 3. Amends Subtitle D, Title 2, Labor Code, by adding Chapter 83, as follows:

CHAPTER 83. PROHIBITION AGAINST LOCAL REGULATION OF EMPLOYMENT BENEFITS

Sec. 83.001. DEFINITIONS. Defines "employee," "employer," and "employment benefit."

Sec. 83.002. PROHIBITION AGAINST MUNICIPALITY OR COUNTY REQUIRING EMPLOYMENT BENEFITS. Prohibits a municipality or county from adopting or enforcing an ordinance, order, rule, or regulation that requires an employer in the municipality or county to provide employment benefits.

SECTION 4. Provides that Chapter 83, Labor Code, as added by this Act, applies to an ordinance, order, rule, or regulation adopted before, on, or after the effective date of this Act.

SECTION 5. Effective date: September 1, 2023.