

BILL ANALYSIS

H.B. 778
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Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

According to the U.S. Department of Labor, Texas leads the nation in the construction industry; however, more construction workers die in Texas than in any other state. Texas is one of two states that does not require an employer to have worker's compensation coverage for their employees. As a result, many construction workers are left with injuries and no help from an employer. Additionally, construction workers are often left to recover without any compensation or wages as a result of missing days from work. H.B. 778 seeks to help protect construction workers in Texas by mandating that contractors and subcontractors provide their employees with workers' compensation insurance coverage, regardless of whether the contractors and subcontractors are employed on a public building or construction project.

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. 778 amends the Labor Code to require a contractor and a subcontractor to provide workers' compensation insurance coverage for each employee. The bill clarifies a governmental entity's duty to require each subcontractor used by a contractor on the public project to provide a written certificate that the subcontractor provides that coverage for each of its employees employed on the project and specifies that the methods by which a contractor or subcontractor may provide such coverage include, as an alternative to a group plan, an owner-controlled consolidated insurance program under applicable Insurance Code provisions. The bill applies only to a contract for building or construction that is entered into on or after the bill's effective date.

EFFECTIVE DATE

September 1, 2023.