

By: Dorazio

H.B. No. 1065

Substitute the following for H.B. No. 1065:

By: Hefner

C.S.H.B. No. 1065

A BILL TO BE ENTITLED

AN ACT

relating to the classification of employees of certain companies  
operating under the Private Security Act.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1702.127, Occupations Code, is amended  
by adding Subsection (b-1) to read as follows:

(b-1) A person licensed only as a security services  
contractor may not intentionally misclassify an employee as an  
independent contractor in violation of applicable federal  
guidelines.

SECTION 2. Subchapter L, Chapter 1702, Occupations Code, is  
amended by adding Section 1702.290 to read as follows:

Sec. 1702.290. VERIFICATION OF CERTAIN EMPLOYMENT  
CLASSIFICATIONS DURING AUDIT OR INSPECTION. During an audit or  
inspection by the department under Section 1702.289 of a person  
licensed only as a security services contractor, the department  
shall inspect the employment records of the license holder to  
confirm that the license holder has not misclassified employees as  
independent contractors in violation of applicable federal  
guidelines. If the department determines that the license holder  
misclassified an employee as described by this section, the  
department shall notify the Texas Workforce Commission of that  
determination.

SECTION 3. Section 1702.290, Occupations Code, as added by

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1 this Act, applies only to an audit or inspection that occurs on or  
2 after the effective date of this Act.

3 SECTION 4. This Act takes effect September 1, 2025.