

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

1 AN ACT

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

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

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

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

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

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

24 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.