

By: Morales Shaw

H.B. No. 3059

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of a paid parental leave program administered by the Texas Workforce Commission; imposing an employer contribution.

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

SECTION 1. Subtitle B, Title 4, Labor Code, is amended by adding Chapter 320 to read as follows:

CHAPTER 320. PAID PARENTAL LEAVE FOR CERTAIN EMPLOYEES

Sec. 320.001. DEFINITIONS. In this chapter:

(1) "Employee" means an individual who performs services in this state for an employer for compensation under a contract for hire, whether express or implied. The term does not include an independent contractor or a state employee to which Section 661.9125, Government Code, applies.

(2) "Employer" means a person that employs one or more employees.

(3) "Program" means the Texas Family Fund Program established under Section 320.002.

Sec. 320.002. ESTABLISHMENT OF PROGRAM; RULEMAKING. (a) The commission shall establish the Texas Family Fund Program to administer, distribute payments for, and assess contributions for paid parental leave under this chapter.

(b) The commission shall adopt rules as necessary to implement this chapter.

1 Sec. 320.003. PAID PARENTAL LEAVE FOR CERTAIN EMPLOYEES.

2 (a) This section applies only to an employee who:

3 (1) is employed by an employer that:

4 (A) employs at least 50 employees; or

5 (B) voluntarily makes a contribution on wages
6 under Section 320.005; and

7 (2) during the preceding 12 months, has worked for the
8 employer:

9 (A) not less than 1,540 hours and on a full-time
10 basis; or

11 (B) if the employee is not classified by the
12 employer as a full-time employee, not less than 30 hours per week.

13 (b) For purposes of Subsection (a), an hour for which an
14 employee uses paid or unpaid leave not described by this section is
15 considered an hour the employee worked for the employer.

16 (c) Subject to Subsection (d), an employee to whom this
17 section applies is entitled, on request, to:

18 (1) 40 days of paid leave for the birth of a child by
19 the employee; or

20 (2) 20 days of paid leave for the:

21 (A) birth of a child by the employee's spouse;

22 (B) birth of a child by a gestational surrogate;

23 (C) adoption of a child; or

24 (D) provision of foster care or kinship care to a
25 child younger than one year of age who is in the conservatorship of
26 the Department of Family and Protective Services.

27 (d) The amount of paid leave to which an employee is

1 entitled under Subsection (c) for each week of leave taken under
2 that subsection is an amount equal to the lesser of:

3 (1) the employee's average weekly wage during the
4 12-month period preceding the first day that the employee takes
5 leave under that subsection; or

6 (2) the state average weekly wage as determined under
7 Section 408.047 during the most recent complete calendar quarter
8 preceding the first day that the employee takes leave under that
9 subsection.

10 (e) This section does not entitle an employee to leave in
11 addition to any leave the employee is entitled to under the federal
12 Family and Medical Leave Act of 1993 (29 U.S.C. Section 2601 et
13 seq.). An employee is not entitled to paid leave under this section
14 for any period during which the employee is taking other paid leave.

15 (f) An employee may not take leave under this section:

16 (1) later than the first anniversary of the date of
17 birth or adoption of a child or placement of a child in foster care
18 or kinship care; or

19 (2) more than one time during a 12-month period.

20 (g) An employer may not take an adverse employment action
21 against an employee because the employee has taken or plans to take
22 paid leave under this section. For purposes of this subsection,
23 "adverse employment action" includes termination or suspension of
24 the employee's employment, an action that affects the employee's
25 compensation, promotion, or performance evaluation, or any other
26 employment action that would dissuade a reasonable employee from
27 taking paid leave under this chapter.

1 Sec. 320.004. EMPLOYER CONTRIBUTION. (a) Except as
2 provided by Subsection (d), an employer shall pay a contribution on
3 wages paid to an employee to whom Section 320.003 applies during a
4 calendar quarter in an amount equal to 0.15 percent of the wages
5 paid by the employer to the employee during the calendar quarter.

6 (b) The contribution shall be paid to the commission in
7 accordance with rules adopted by the commission.

8 (c) An employer may deduct not more than 50 percent of the
9 amount of a contribution under this section from the wages of the
10 employee.

11 (d) This section does not apply to:

12 (1) an employer that maintains a self-funded policy
13 that provides leave to employees who meet the requirements of
14 Section 320.003; or

15 (2) the amount of wages paid to an employee during a
16 calendar year that is more than the maximum amount of wages for
17 which an employee is subject to taxation for that year under the
18 federal Social Security Act (42 U.S.C. Section 430), as calculated
19 under Section 230 of that Act.

20 Sec. 320.005. VOLUNTARY PARTICIPATION BY CERTAIN
21 EMPLOYERS. Notwithstanding any other provision of this chapter, an
22 employer that employs less than 50 employees may pay a contribution
23 on wages in the amount and manner described by Section 320.004.

24 Sec. 320.006. ADMINISTRATION OF CONTRIBUTIONS. (a) On
25 receipt of contributions under Section 320.004 or 320.005, the
26 commission shall forward the contributions to the comptroller.

27 (b) The comptroller shall immediately deposit contributions

1 under this chapter in the Texas Family Fund.

2 Sec. 320.007. TEXAS FAMILY FUND. (a) The Texas Family Fund
3 is a special fund.

4 (b) The fund consists of:

5 (1) contributions collected under this chapter;

6 (2) interest earned on money in the fund; and

7 (3) other money received for the fund from any other
8 source.

9 (c) Benefits are due and payable only to the extent money is
10 available for that purpose in the fund. This state and the
11 commission are not liable for any amount in excess of the amount in
12 the fund.

13 (d) The comptroller may use money in the fund to pay the
14 necessary and reasonable expenses of administering the fund, not to
15 exceed in any year four percent of the money received for the fund
16 under Subsection (b) in that year.

17 SECTION 2. Not later than January 1, 2026, the Texas
18 Workforce Commission shall:

19 (1) establish the Texas Family Fund Program in
20 accordance with Section 320.002, Labor Code, as added by this Act;
21 and

22 (2) adopt rules necessary to implement Chapter 320,
23 Labor Code, as added by this Act.

24 SECTION 3. (a) An employee is not entitled to paid leave
25 under Chapter 320, Labor Code, as added by this Act, before January
26 1, 2027.

27 (b) Section 320.003, Labor Code, as added by this Act,

1 applies only to the birth or adoption of a child or placement of a
2 child in foster care or kinship care that occurs on or after January
3 1, 2027.

4 (c) Section 320.004, Labor Code, as added by this Act,
5 applies beginning January 1, 2026.

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