

By: Hernandez

H.B. No. 3494

A BILL TO BE ENTITLED

AN ACT

relating to wages paid to certain workers with disabilities.

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

SECTION 1. Effective September 1, 2030, Section 62.051, Labor Code, is amended to read as follows:

Sec. 62.051. MINIMUM WAGE. An [~~Except as provided by Section 62.057, an~~] employer shall pay to each employee the federal minimum wage under Section 6, Fair Labor Standards Act of 1938 (29 U.S.C. Section 206).

SECTION 2. Section 62.057, Labor Code, is amended by adding Subsection (e) to read as follows:

(e) This section expires September 1, 2030.

SECTION 3. Section 62.161, Labor Code, is amended to read as follows:

Sec. 62.161. SHELTERED WORKSHOPS. (a) A nonprofit charitable organization that is engaged in evaluating, training, and employment services for clients with disabilities and that complies with federal regulations covering those activities is considered to have complied with this chapter.

(b) This section expires September 1, 2030.

SECTION 4. Chapter 62, Labor Code, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. MINIMUM WAGE PLAN FOR WORKERS WITH DISABILITIES

Sec. 62.251. APPLICABILITY. This subchapter applies to an

1 employer who pays workers with disabilities wages that are less  
2 than the federal minimum wage under Section 6, Fair Labor Standards  
3 Act of 1938 (29 U.S.C. Section 206).

4 Sec. 62.252. WORKFORCE COMMISSION ASSISTANCE. The  
5 workforce commission shall assist:

6 (1) an employer in developing a plan to increase the  
7 wages paid to its workers with disabilities to the federal minimum  
8 wage not later than September 1, 2030; and

9 (2) an employer by providing:

10 (A) information about certified benefits  
11 counselors to ensure that workers are informed about work  
12 incentives and the potential impact the increase in wages may have  
13 on a worker's eligibility for any federal or state benefit program;  
14 and

15 (B) a referral to a certified benefits counselor  
16 to any worker with a disability who requests a referral.

17 Sec. 62.253. EMPLOYER RETENTION OF WORKERS. (a) Each  
18 employer shall, to the maximum extent possible, ensure that each  
19 worker with a disability remains employed by the employer after the  
20 employer increases the wages paid to those workers to at least the  
21 federal minimum wage.

22 (b) If an employer is unable to employ all workers with a  
23 disability after the employer increases the wages paid to those  
24 employees to the federal minimum wage, the employer shall work with  
25 the commission and any other governmental entity to seek and obtain  
26 any job training and employment services that may be suitable for  
27 those former employees to find other employment that pays at least

1 the federal minimum wage.

2 Sec. 62.254. WORKER ASSISTANCE BY COMMISSION. In addition  
3 to the assistance described by Section 62.253(b), the commission  
4 may, at the worker's request, assist a worker with a disability not  
5 retained by an employer to secure employment in a position that pays  
6 at least the federal minimum wage.

7 Sec. 62.255. EXTENSION. (a) On request of an employer, the  
8 commission may extend the period for compliance with the minimum  
9 wage requirements of this chapter for not more than 12 months if the  
10 employer:

11 (1) requests the extension not later than March 1,  
12 2030;

13 (2) has demonstrated to the commission that an  
14 extension would be in the best interest of the employer's current  
15 workers with disabilities; and

16 (3) has worked with the commission to develop a  
17 transition plan for the payment of at least the federal minimum wage  
18 to workers with disabilities.

19 (b) The commission shall make a decision on a request for an  
20 extension under Subsection (a) not later than May 1, 2030.

21 (c) The commission may not grant more than one extension to  
22 an employer.

23 Sec. 62.256. EXPIRATION. This subchapter expires September  
24 1, 2031.

25 SECTION 5. Effective September 1, 2030, Section 201.067(b),  
26 Labor Code, is amended to read as follows:

27 (b) Notwithstanding Subsection (a)(1), in this subtitle

1 "employment" includes service performed by an individual whose  
2 earning capacity is impaired by age, physical impairment,  
3 developmental disability, mental illness, or intellectual  
4 disability or injury[~~, other than an individual compensated as~~  
5 ~~provided by Section 62.057,~~] and who, after training, is working  
6 for a sheltered workshop or other facility operated by a charitable  
7 organization:

8 (1) temporarily while awaiting placement in a position  
9 of employment in the competitive labor market; or

10 (2) permanently because the individual is unable to  
11 compete in the competitive labor market.

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