

BILL ANALYSIS

H.B. 373
By: Romero, Jr.
Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties contend that the assessment of administrative penalties against employers who in bad faith fail to pay wages is currently inconsistent. H.B. 373 seeks to standardize such assessment by clarifying what constitutes bad faith and by removing the Texas Workforce Commission's discretion to assess a penalty against an employer found to have acted in bad faith.

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. 373 amends the Labor Code to replace the authorization for the Texas Workforce Commission (TWC), the commission examiner, or a wage claim appeal tribunal, following a determination that an employer acted in bad faith in not paying statutorily required wages, to assess an additional administrative penalty against the employer with a requirement that the TWC, examiner, or tribunal assess such a penalty. The bill specifies that acts constituting bad faith by an employer for purposes of this requirement include: a history of previous violations of statutory provisions governing the payment of wages or actions showing reckless disregard of the requirements of those provisions; failure to pay statutorily required wages to an employee as an act of discrimination or retaliation against the employee; failure to pay statutorily required wages to multiple employees at the same time; or failure to pay statutorily required wages to an employee knowing that the failure was a violation of state law.

EFFECTIVE DATE

September 1, 2017.