

BILL ANALYSIS

Senate Research Center
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S.B. 741
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Economic Development
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Wage theft occurs when employers fail to pay their workers their promised wages, pay them less than the full amount they are owed, or do not pay them at all. Wage theft undercuts responsible businesses and hurts working families.

Current state law requires a wage claim to be filed “no later than the 180th day the wages became due for payment.” Workers often miss the 180-day filing deadline to file a claim with the Texas Workforce Commission (TWC), especially as many workers are not familiar with TWC. According to a University of Texas study, 77 percent of construction workers have not heard of TWC. Consequently, many workers do not learn of their right to file a claim until long after the 180-day deadline. Additionally, workers may be hesitant to file a claim because their employer promises to pay them or makes small partial payments on the total amount owed.

As filed, S.B. 741 extends the filing deadline from 180 days to the second anniversary of when the wages become due. A longer period to file wage claims will allow employees a greater opportunity to recover the wages that they are entitled to under Texas law.

As proposed, S.B. 741 amends current law relating to the period during which an employee may file a claim for unpaid wages with the Texas Workforce Commission.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 61.051(c), Labor Code, as follows:

(c) Requires that a wage claim be filed not later than the second anniversary of, rather than 180th day after, the date wages claimed became due for payment. Provides that the filing deadline, rather than the 180-day deadline, is a matter of jurisdiction.

SECTION 2. Provides that the change in law made by this Act to Section 61.051 (Filing Wage Claim), Labor Code, applies to a wage claim filed under Subchapter D (Wage Claims), Chapter 61, Labor Code, for wages that become due for payment on or after March 5, 2013. Provides that a claim for wages that became due for payment before that date is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 3. Effective date: September 1, 2013.