

AN ACT

relating to the proper classification of workers performing services in connection with governmental contracts; providing a penalty.

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

SECTION 1. Chapter 214, Labor Code, is amended by adding Section 214.008 to read as follows:

Sec. 214.008. MISCLASSIFICATION OF CERTAIN WORKERS; PENALTY. (a) A person who contracts with a governmental entity to provide a service as defined by Section 2155.001, Government Code, shall properly classify, as an employee or independent contractor in accordance with Chapter 201, any individual the person directly retains and compensates for services performed in connection with the contract.

(b) In this subsection, "subcontractor" means a person directly retained and compensated by a person who contracts with a governmental entity to provide a service as defined by Section 2155.001, Government Code. A subcontractor shall properly classify, as an employee or independent contractor in accordance with Chapter 201, any individual the subcontractor directly retains and compensates for services performed in connection with the contract for which the subcontractor is retained.

(c) A person who fails to properly classify an individual as required by Subsection (a) or (b) shall pay to the commission a

1 penalty equal to \$200 for each individual that the person has not
2 properly classified.

3 (d) The commission may not take action to collect a penalty
4 under this section from a person after the third anniversary of the
5 date on which the violation occurred.

6 SECTION 2. This Act takes effect January 1, 2014.

President of the Senate

Speaker of the House

I certify that H.B. No. 2015 was passed by the House on May 4, 2013, by the following vote: Yeas 137, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2015 was passed by the Senate on May 17, 2013, by the following vote: Yeas 29, Nays 2.

Secretary of the Senate

APPROVED: _____

Date

Governor