

PAID SICK LEAVE STANDS?

BILLS TO BAN LOCAL ORDINANCES HAVE STALLED IN TEXAS LEGISLATURE

Local paid sick leave ordinances have now passed in Austin, San Antonio, and Dallas. Austin's ordinance is on hold after an Appeals Court found it was unconstitutional and preempted by Texas's minimum wage law. That court remanded the case back to district court for further proceedings, and Austin may appeal that decision. Many in the business community had hopes that Texas would pass legislation banning local paid sick leave ordinances. Now, it seems like the proposed bills are stalled out in the Texas House and do not appear on the calendar to be voted on before the end of the Legislative Session.

Why did the bills stall?

Bills were drafted by State Senator Brandon Creighton and Representative Craig Goldman. Two bills passed in the Senate (SB 2485 and 2487), but the corresponding bill in the House (HB 1654) did not pass, meaning that the bills cannot proceed to Governor Greg Abbott to be signed into law.

The bills that started out targeting local labor policies seemed to have support in the Senate and House and from Governor Abbott as a means to protect Texas's business-friendly environment. But they fell into controversy after the language was overhauled to exclude provisions that protected non-discrimination ordinances (NDOs). Some have reported that this language was scrubbed at Lieutenant Governor Dan Patrick's insistence. This action was opposed by LGBTQ advocates, large businesses (like American Airlines, Apple, Google, and Facebook), and business advocacy organizations, like the National Federation of Independent Business (NFIB).

Annie Spilman, Texas state director for NFIB, stated, "I don't think the lieutenant governor has listened to the business community in quite a while.... Our No. 1 priority was this preemption legislation to stop cities from overreaching, and despite our efforts to compromise with everyone involved, at the end of the day we were ignored and set aside."

What happens next?

Because this bill has not passed in the House, Paid Sick Leave Ordinances in San Antonio and Dallas may move forward; however they may not be a “done deal” yet:

- While unlikely—because HB 1654 is not scheduled on the House calendar—the bill could be revived and signed in the final days of the Legislative session (concluding May 27, 2019).
- Governor Abbott could call a special session to meet specifically on this issue.
- Like the Austin ordinance, the San Antonio and Dallas ordinances could be challenged in court if a suit is filed.

If none of the above happens, the San Antonio and Dallas ordinances will go into effect on August 1. We will follow-up with an article focused on how to prepare for these ordinances if they do go into effect.

For More Information

BFG will continue to monitor the situation and will provide updates. For more information or assistance, please contact our Human Resources team at **210-775-6082**, toll-free at **1-888-757-2104**, or **HRManagement@BFGonline.com**.



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