

Dallas, Texas Enacts Paid Sick Leave Law, But Its Future Remains in Question

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The Dallas, Texas City Council has enacted a <u>sick leave ordinance</u> that would require employers to provide eligible employees with paid leave for certain medical and safety-related needs. It remains to be seen, however, whether the ordinance will ultimately take effect.

As we have previously reported, in late 2018, a Texas appellate court ruled that a similar paid sick leave ordinance enacted in Austin violated the Texas Minimum Wage Act and the Texas Constitution and was therefore unenforceable (the decision is now on appeal to the Texas Supreme Court). Given this fact, a legal challenge to the Dallas ordinance—which is modeled on the Austin ordinance—seems quite likely. In addition, lawmakers in the Texas state senate advanced a bill on April 11, 2019 that, if ultimately enacted, would prohibit local jurisdictions from passing laws regulating employment leave for private employers.

Should the Dallas ordinance take effect on schedule, beginning August 1, 2019, employers with more than five employees would be required to provide employees who perform at least 80 hours of work within the City of Dallas with one hour of paid leave for every 30 hours worked in the City, up to 64 hours per year for "medium or large employers" (defined as having more than 15 employees). Employers with 15 or fewer employees would be required to provide up to 48 hours of paid sick leave per year, and employers with five or fewer employees would be exempted from coverage under the law until August 1, 2021.

Eligible employees would accrue and be able to use leave in one hour increments, unless an employer's written policy provides for a shorter increment. Employees would be permitted to carry over accrued, unused leave into the following year for immediate use (up to the maximum caps described above), though employers could avoid the carryover requirement by "front loading" the maximum annual leave amount at the beginning of each year. Employers would also be permitted to limit employees' use of paid sick leave to no more than eight days in a year.

Paid leave under the law would be available for absences due to an employee's or his or her family member's physical or mental illness, physical injury, health condition, or need for preventive care. Leave could also be used if an employee or family member is a victim of stalking, domestic abuse, or sexual assault, and time off is needed for related medical reasons, to relocate, to obtain services from a victim services organization, and/or to participate in legal proceedings. Employers would be permitted to request documentation of the need for leave where an employee is absent for more than three consecutive work days.

Given the likelihood of a legal challenge, Dallas employers may wish to take a "wait and see" approach to the law before undertaking significant policy changes in response. However, in light of the relatively short window before the August 1, 2019 initial effective date, employers with more than 15 employees are advised, at a minimum, to closely monitor the status of the ordinance and to allow sufficient time to make any necessary changes to their policies and practices should the law take effect on schedule. The Proskauer team is available to advise on best strategies for compliance, given the uncertainty surrounding the law.

We will, of course, continue to monitor this law and report on any further developments.

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