

SB2991 • Texas

Relating to the use of an automated employment decision tool by an employer to assess a job applicant's fitness for a position; imposing an administrative penalty.

Introduced

Risk: High

Comprehensive

Effective: Sep 01, 2025 | Last Action (Apr 07, 2025): Referred to Business & Commerce

Summary

This bill regulates the use of automated employment decision tools by employers, requiring disclosure, consent, and data destruction within 30 days.

Business Impact

If you use AI in hiring in Texas, you must notify applicants and obtain their consent by September 1, 2025, or face penalties up to \$7,500 per violation.

Key Provisions

- Employers must notify applicants about the use of automated employment decision tools.
- Written consent from applicants is required before using these tools.
- Employers cannot use tools that assess applicants based on protected class status or zip code.
- Employers must destroy assessment data within 30 days after use.
- Sharing of assessment results is restricted to necessary personnel only.
- Administrative penalties for violations range from \$2,500 to \$7,500, with enforcement by the commission as prescribed by Subchapter F, Chapter 21.

Compliance Checklist

- Notify applicants about the use of automated employment decision tools | Who: Employers | Penalty: Up to \$7,500 per violation
- Obtain written consent from applicants before using the tools | Who: Employers | Penalty: Up to \$7,500 per violation
- Destroy assessment data within 30 days after use | Who: Employers | Penalty: Up to \$7,500 per violation

Industries Affected

Human Resources

Employment

Technology

Employment Services

Topics

AI in Employment

Bill Sponsors

Name	Party	Role
Johnson		Primary

Official Source

<https://capitol.texas.gov/BillLookup/History.aspx?LegSess=89R&Bill;=SB2991>

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