



NEW LEGISLATION ALERT: HB 4623 CREATES NEW LIABILITY FOR TEXAS SCHOOL DISTRICTS

Effective September 1, 2025

During the most recent Texas legislative session, lawmakers passed House Bill 4623—a bill that has received little media coverage but carries significant legal implications for Texas public school districts and their employees.

Signed into law by the Governor, HB 4623 becomes effective **September 1, 2025** and introduces new civil liability where protections previously existed.

WHAT THE LAW DOES

- **Waiver of Governmental Immunity:**
School districts can now be held civilly liable in certain cases where they were previously protected.
- **Removal of Official Immunity:**
District employees cannot claim official immunity when named in lawsuits under this law.

WHEN THIS APPLIES

HB 4623 removes immunity protections if a school employee is alleged to have:

- Engaged in sexual misconduct, as defined by multiple provisions of the Texas Penal Code or
- Failed to report suspected child abuse or neglect, as required by the Texas Family Code

WHAT ARE THE LEGAL LIMITS?

- **Liability Cap:** \$500,000 per claimant
- **Additional:** Court costs and reasonable attorney's fees may also be awarded

OUR RESPONSE

This new legislation creates a new loss exposure for both districts and their employees. PCAT is actively:

- Reviewing existing coverage terms, conditions, and language
- Evaluating the fiscal and legal impact of HB 4623
- Preparing to issue guidance and any policy changes in the coming weeks

We are committed to helping our Members navigate this new liability landscape. Further updates will be communicated as soon as they become available.