



SCWA Legislative & Regulatory Update

December 9, 2024

Corporate Transparency Act Preliminarily Blocked by Texas Court

The Corporate Transparency Act (CTA) and its implementing regulations, which require U.S. business entities (mostly small businesses) to report ownership and leadership information to the Treasury Department, were preliminarily blocked nationwide by a Texas federal court last week. The injunction comes just weeks before the January 1, 2025 deadline for compliance with reporting requirements.

The injunction temporarily bars the Treasury Department from enforcing the reporting requirements at this time, but this does not necessarily mean the CTA is gone. Litigation and appeals are likely to continue, which will cause uncertainty around next steps.

There is a lot to parse here and it is difficult to provide clear advice given the timing and unique nature of a preliminary injunction (compared with a final ruling or permanent injunction).

The Judge's order is attached [here](#) for reference.

SCWA has been supporting efforts to repeal/delay the CTA.

USDOL's Wage and Hour Division Announces Notice of Proposed Rulemaking

On December 3, 2024, the U.S. Department of Labor announced a notice of proposed rulemaking (NPRM), [Employment of Workers with Disabilities Under Section 14\(c\) of the Fair Labor Standards Act](#) that would phase out certificates allowing employers to pay workers with disabilities at wage rates below the federal minimum wage.

Since the Fair Labor Standards Act was enacted in 1938, significant legal and policy developments have expanded employment opportunities and rights for individuals with disabilities.

Expectations and beliefs regarding the employment of individuals with disabilities have evolved and increased opportunities for individuals with disabilities.

With this NPRM, the Department proposes to:

- Cease the Department's issuance of new section 14(c) certificates to employers submitting an initial application on or after the effective date of a final rule.
- Permit existing section 14(c) certificate holders, assuming all legal requirements are met, to continue to operate under section 14(c) certificate authority for up to 3 years after the effective date of a final rule.

If finalized, the Department believes this proposal would increase wages, improving the economic self-sufficiency of these workers. Along with the broader shifts in opportunities for workers with disabilities, this proposal could lead to an increase in the overall labor force participation rate for persons with disabilities.

This proposal would not require impacted workers to leave their current places of employment, nor would it require current section 14(c) certificate holders to amend the type of services that they currently provide.

The Department expects that many workers currently paid under a section 14(c) certificate will be able to transition to full-wage employment, leading to benefits for workers.

For more information on the notice of proposed rulemaking and if you would like to provide a comment, please visit www.regulations.gov. To contact the [Wage and Hour Division](#), call toll-free at 1-866-4US-WAGE (487-9243).

