

BILL ANALYSIS

C.S.H.B. 1152
By: Bernal
Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Concerns have been raised that, while price gouging is listed under the Texas Deceptive Trade Practices-Consumer Protection Act, current safeguards may not effectively prevent businesses from selling goods at exorbitant prices during a disaster. C.S.H.B. 1152 seeks to provide remedies more specifically for this situation by defining the applicable time period and including lodging, certain building materials, and construction tools as price-protected necessities.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1152 amends the Business & Commerce Code to limit the period during which taking advantage of a disaster by charging an exorbitant or excessive price for certain necessities constitutes a false, misleading, or deceptive trade act or practice under the Deceptive Trade Practices-Consumer Protection Act to a designated disaster period in Texas, defined by the bill as the period beginning on the earliest of the date the disaster occurs or the date of the proclamation or executive order of the governor declaring the disaster or of the declaration of the disaster by the president of the United States, as applicable, and ending on the 30th day after the date the disaster declaration expires or is terminated. The bill includes lodging, building materials, as defined by the bill, and construction tools among the applicable necessities.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1152 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes lodging among the necessities for which charging an exorbitant or excessive price during a declared disaster period constitutes a false, misleading, or deceptive trade act or practice.

The substitute changes the locations in which the false, misleading, or deceptive trade acts or practices described by the bill apply during a disaster that is declared by the governor from certain counties to Texas as a whole.

The substitute does not include provisions establishing the level at which the price of a necessity is considered exorbitant or excessive for the bill's purposes and establishing certain exceptions.

The substitute does not include provisions relating to disposition of settlements or penalties collected by a district or county attorney in an action brought for an applicable violation of the Deceptive Trade Practices-Consumer Protection Act.