

BILL ANALYSIS

Senate Research Center

S.B. 2140
By: Hughes
State Affairs
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under the Deceptive Trade Practices-Consumer Protection Act (DTPA), the Texas attorney general (attorney general) may bring an action in the name of the state against someone who is violating the chapter to get a temporary restraining order or injunction against further action by the offending party. In addition to these remedies, the attorney general may seek and recover a civil penalty of up to \$20,000 per violation.

A wide range of actions can constitute a violation of the DTPA. In some cases, there may only be one violation, but in other contexts there may be a series of repeated violations that are part of one scheme or action. Where there are many individual violations as part of a single series of events, \$20,000 per violation may add up to millions of dollars and be excessive.

S.B. 2140 reduces the per-violation civil penalty from \$20,000 to \$10,000. This will maintain a strong deterrent to single violations, but reduce the cumulative penalty where many violations occur together as a single act or series of events.

As proposed, S.B. 2140 amends current law relating to the amount of civil penalties the attorney general may seek to recover under the Deceptive Trade Practices-Consumer Protection Act.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 17.47(c), Business & Commerce Code, to decrease from \$20,000 to \$10,000 per violation the maximum civil penalty to be paid to the state that the consumer protection division of the Office of Attorney General is authorized to request, and the trier of fact is authorized to award, in a proceeding under the Deceptive Trade Practices-Consumer Protection Act.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2019.