

## **BILL ANALYSIS**

C.S.H.B. 2942  
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Business & Industry  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The state has seen numerous instances of price gouging in recent years, including during and after Hurricane Harvey, the COVID-19 pandemic, and Winter Storm Uri. Although price gouging is already a civil offense under the Texas Deceptive Trade Practices-Consumer Protection Act actionable by the attorney general, price gouging is only prosecuted if a report is made to the attorney general and sufficient evidence is shown that the prices were exorbitant or excessive. There have been calls for the state to make available different enforcement mechanisms for the laws against price gouging to provide increased disincentive and more expeditious enforcement. C.S.H.B. 2942 seeks to provide this additional enforcement by authorizing district and county attorneys to act with respect to these incidents of price gouging.

### **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. 2942 amends the Business & Commerce Code to grant district and county attorneys the right to take action regarding price gouging during a declared disaster to the same extent that activity is subject to action by the consumer protection division of the attorney general's office in instances in which the division does not intend to act on the matter. The bill requires all settlements or penalties collected in such an action brought by a district or county attorney to be divided evenly between the state and the county in which the attorney brought suit as follows:

- 50 percent of the amount collected paid to the comptroller of public accounts for deposit to the credit of the basic civil legal services account; and
- 50 percent of the amount collected paid to the county.

### **EFFECTIVE DATE**

September 1, 2021.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 2942 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 changes the fund to which the state's half of the amount collected is to be deposited from the general revenue fund, as in the original, to the basic civil legal services account.