

BILL ANALYSIS

C.S.H.B. 4507
By: Moody
Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties have pointed to the global pandemic, Winter Storm Uri, and Hurricane Harvey as examples of declared emergencies that enabled a rise in white-collar fraud and price gouging by companies taking advantage of exigent circumstances. The Deceptive Trade Practices Act was designed to protect consumers from such fraudulent business practices, but currently, only the consumer protection division of the Office of the Attorney General may bring an action in response to price gouging. This severely limits the available capacity to enforce the act, to the detriment of Texas consumers. C.S.H.B. 4507 seeks to address this issue by providing for county attorneys to bring an action to enforce the act during a declared disaster.

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. 4507 amends the Business & Commerce Code to establish that a county attorney has concurrent jurisdiction with the attorney general to prosecute an action against the deceptive trade practice of price gouging in connection with the sale or lease of necessities during a declared disaster. The bill establishes that a county attorney is not required to obtain the permission of the consumer protection division of the attorney general's office to prosecute such an action for this violation if the district or county attorney provides prior written notice to the division. The bill applies to a cause of action that accrues on or after the bill's effective date.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 4507 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes a provision that did not appear in the introduced establishing that a county attorney is not required to obtain the permission of the consumer protection division to prosecute an action against the deceptive trade practice of price gouging in connection with the sale or lease of necessities during a declared disaster if the district or county attorney provides prior written notice to the division.