

BILL ANALYSIS

Senate Research Center
88R272 MLH-F

S.B. 58
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Business & Commerce
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

A "bot"—short for robot and also called an internet bot—is a software application that automatically completes programmed tasks in the same manner as humans would have done. Normally bots are created to do repetitive tasks to increase efficiency. Some bots, however, use automated methods to obtain goods or services. Persons can program bots to buy goods in bulk the moment an item goes on sale quicker than any legitimate customer would be able to do. The products are then re-sold by the bot's operator in either a private transaction or on a third-party platform, often for an exorbitant markup. This practice negatively impacts businesses with digital purchase platforms and those participating in virtual markets. Currently, no state code regulates the use of bots in connection with the online sale of goods, while federal law only outlaws reselling event tickets obtained via bots.

S.B. 58 would ban persons from using bots to obtain goods or services online. This would protect Texans from the consequent price increases and inventory shortages bots can cause.

As proposed, S.B. 58 amends current law relating to prohibitions in connection with the online sale of goods.

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 Subtitle B, Title 10, Business and Commerce Code, by adding Chapter 328, as follows:

CHAPTER 328. ONLINE SALE OF GOODS

Sec. 328.001. PROHIBITIONS CONCERNING SALE OF GOODS ONLINE. (a) Prohibits a person, for commercial purposes, from selling, using, or causing to be used any technology, device, or software in the sale of a good on an Internet website that:

- (1) functions as a bypass in the purchasing process;
- (2) disguises the identity of the purchaser;
- (3) permits the purchase of a quantity of goods in a number that exceeds the maximum number of goods that are authorized to be sold to one purchaser as specified by the seller or operator on the website;
- (4) allows for the unauthorized access to or identification of gift card information, including gift card numbers and gift card personal identification numbers; or
- (5) circumvents a security measure, access control system, or other control, authorization, or measure in the purchasing process.

(b) Provides that this section does not apply to the seller of the good on the Internet website or to the operator of the Internet website.

Sec. 328.002. ENFORCEMENT BY ATTORNEY GENERAL; INJUNCTION. (a) Authorizes the attorney general to investigate a claim that a person violated this chapter.

(b) Authorizes the attorney general to bring an action in the name of the state to restrain or enjoin a person from violating this chapter, if the attorney general believes that the person is violating this chapter.

(c) Provides that the attorney general is entitled to recover all reasonable costs of bringing an action under this section, including court costs, reasonable attorney's fees, and investigation costs.

SECTION 2. Effective date: September 1, 2023.