

BILL ANALYSIS

Senate Research Center

H.B. 20
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Disaster Preparedness & Flooding, Select
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 20, the Disaster Scam Response Act, is a comprehensive, targeted approach to protect Texans from criminals who prey on our citizens during their most vulnerable moments.

During the July 23, 2025, Joint Hearing of the Senate and House Select Committees on Disaster Preparedness and Flooding, Texas Division of Emergency Management (TDEM) Chief Nim Kidd testified that so-called "volunteers" in Kerr County have demanded thousands of dollars to clean debris and that scammers have called grieving parents claiming to have their missing children and demanded ransom payments for their return.

H.B. 20 addresses disaster scams by:

- creating new criminal offenses to make disaster scams—the most serious of which is "missing relative fraud"—felonies and enhancing existing theft penalties when criminals use their fraudulent status as a volunteer to steal from disaster victims; and
- giving victims—both donors who were taken advantage of and intended beneficiaries of donations that were fraudulently obtained and withheld from them—the right to recover triple damages, attorney's fees, and punitive damages from bad actors who exploit disasters for personal pecuniary gain.

A committee substitute to H.B. 20 will enhance protections against disaster scams by:

- requiring counties and cities to specify a non-profit organization or bank to receive donations during natural disasters in their emergency plans;
- requiring counties and cities to provide the name and contact info of the designated non-profit organization or bank on their websites during a declared disaster; and
- requiring counties and cities to post a public notice regarding disaster scams on their websites during declared disasters.

H.B. 20 amends current law relating to certain measures to prevent and reduce fraudulent charitable solicitations and theft during disasters, including establishing a voluntary accreditation program for disaster relief organizations, creates a criminal offense, increases a criminal penalty, and provides a civil cause of action.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the attorney general in SECTION 2.02 (Sections 418.403, 418.407, and 418.410, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

ARTICLE 1. SHORT TITLE

SECTION 1.01. Requires that this Act be known as the Disaster Scam Response Act.

ARTICLE 2. CONSUMER PROTECTION

SECTION 2.01. Amends Subchapter C, Chapter 418, Government Code, by adding Section 418.0431, as follows:

Sec. 418.0431. EDUCATIONAL MATERIALS ON IDENTIFYING AND AVOIDING FRAUDULENT CHARITABLE SOLICITATIONS. Requires the Texas Division of Emergency Management (TDEM), in consultation with the consumer protection division of the Office of the Attorney General (OAG), to create and make available to the public on the respective agencies' Internet websites educational materials regarding identifying and avoiding fraudulent charitable solicitations during a disaster.

SECTION 2.02. Amends Chapter 418, Government Code, by adding Subchapter L, as follows:

SUBCHAPTER L. VOLUNTARY ACCREDITATION OF DISASTER RELIEF
ORGANIZATIONS; FRAUD HOTLINE

Sec. 418.401. DEFINITIONS. Defines "accreditation," "accreditation program," and "declared disaster."

Sec. 418.402. VOLUNTARY ACCREDITATION PROGRAM FOR DISASTER RELIEF ORGANIZATIONS. (a) Requires the attorney general, in consultation with TDEM, to establish and administer an accreditation program for nonprofit organizations that solicit and accept donations to provide disaster relief services during a declared disaster. Provides that the purpose of the accreditation program is to assist the public in identifying reputable nonprofit organizations to which the public may donate to support disaster relief efforts.

(b) Provides that participation in the accreditation program is voluntary. Provides that a nonprofit organization is not required to obtain accreditation under the program to solicit or accept donations in response to a declared disaster.

Sec. 418.403. ELIGIBILITY FOR ACCREDITATION. (a) Requires the attorney general, in consultation with TDEM and the Texas Nonprofit Council established under Chapter 550 (Human Services and Other Social Services Provided Through Faith- and Community-Based Organizations), by rule to establish certain eligibility criteria and accreditation procedures.

(b) Authorizes the attorney general to also consult with the emergency management council for purposes of adopting rules under this section.

Sec. 418.404. APPLICATION FOR ACCREDITATION. Authorizes a nonprofit organization to apply for an accreditation in the form and manner prescribed by the attorney general.

Sec. 418.405. PUBLIC REGISTRY; SEAL. (a) Requires the attorney general to maintain and regularly update a public registry of nonprofit organizations accredited under this subchapter on the attorney general's Internet website.

(b) Requires the attorney general to prescribe and approve a seal that is authorized to be used and displayed by a nonprofit organization accredited under this subchapter.

(c) Requires the attorney general to ensure the registry maintained under Subsection (a) and any materials used by an accredited nonprofit organization to display the seal prescribed by the attorney general under Subsection (b) include a clear and conspicuous statement that accreditation under this subchapter is voluntary and does not constitute this state's endorsement or approval of the organization.

Sec. 418.406. CONSIDERATION OF ACCREDITATION STATUS IN CERTAIN APPLICATIONS FOR STATE MONEY. Authorizes a state or local government entity administering a grant or other program that provides state money to support mitigation, preparedness, response, recovery, or other relief efforts in response to a declared disaster, notwithstanding any other law, to consider a nonprofit organization's accreditation status

under this subchapter when evaluating the organization's application for state money under the grant or other program.

Sec. 418.407. **TRANSPARENCY AND REPORTING.** Requires the attorney general, in consultation with TDEM and the Texas Nonprofit Council established under Chapter 550, by rule to establish reporting and transparency standards for nonprofit organizations accredited under this subchapter.

Sec. 418.408. **VOLUNTEER EFFORTS.** Prohibits a state or local government entity from prohibiting or otherwise preventing volunteer efforts during a declared disaster based solely on a nonprofit organization's lack of accreditation under this subchapter.

Sec. 418.409. **FRAUD HOTLINE.** (a) Requires the attorney general to operate a telephone hotline during each declared disaster for submission of reports of a suspected fraudulent Internet website or nonprofit organization soliciting charitable donations and offense under Section 31.03(e)(4)(H) (relating to providing that an offense under Section 31.03 (Theft) is a state jail felony if the value of the property stolen is less than \$30,000 and the property was stolen in a disaster area) or 32.61, Penal Code.

(b) Requires the attorney general to take certain actions regarding each report submitted under this section.

Sec. 418.410. **DATA PRIVACY AND SECURITY.** (a) Requires the attorney general by rule to ensure any personal or organizational information compiled under this subchapter is limited to information necessary to determine a nonprofit organization's eligibility for initial accreditation and to maintain accreditation, and collected in the least intrusive manner possible.

(b) Requires the attorney general to provide to each nonprofit organization applying for accreditation clear notice describing the specific types of information collected, the purposes for which the collected information will be used, and whether and with whom the collected information will be shared.

(c) Prohibits information collected under this subchapter from being used for any purpose other than a purpose related to a nonprofit organization's accreditation; sold, rented, or otherwise provided to a third party for commercial purposes; or shared with another governmental entity except as required by law or for a purpose directly related to administration of the accreditation program.

(d) Requires the attorney general to establish and implement reasonable administrative, technical, and physical protections to maintain the confidentiality, integrity, and availability of information collected under this subchapter, including protections for the secure storage, transmission, and disposal of collected information.

(e) Requires the attorney general to publish in a publicly accessible location on the attorney general's Internet website a description of the data management practices for the accreditation program, including certain information.

Sec. 418.411. **REPORT TO LEGISLATURE.** Requires the attorney general to submit to the legislature an annual report evaluating the operation of the accreditation program under this subchapter, including certain information.

SECTION 2.03. Requires the attorney general, as soon as practicable after the effective date of this Act, in consultation with TDEM and the Texas Nonprofit Council established under Chapter 550, Government Code, to adopt rules to implement Subchapter L, Chapter 418, Government Code, as added by this article.

ARTICLE 3. CRIMINAL PENALTIES FOR DISASTER SCAMS

SECTION 3.01. Amends Section 31.03, Penal Code, by amending Subsection (e) and adding Subsection (f-3), as follows:

(e) Provides that, except as otherwise provided by this section, rather than except as provided by Subsections (f) (relating to providing that an offense under Section 31.03 is increased to the next higher category of offense if it is shown on the trial of the offense that the actor met certain criteria) and (f-1) (relating to providing that an offense under Section 31.03 is increased to the next higher category of offense if it is shown that the property stolen is a catalytic converter or the actor possessed a firearm during the commission of the offense), an offense under this section is a state jail felony if the value of the property stolen is less than \$30,000 and the property was stolen in a disaster area and came into the actor's custody, possession, or control by virtue of the actor's status or purported status as a disaster volunteer, as that term is defined by Section 32.61. Makes nonsubstantive changes.

(f-3) Provides that the increase in the punishment provided by Section 12.50 (Penalty If Offense Committed in Disaster Area or Evacuated Area) for an offense under this section does not apply if the penalty described by Subsection (e)(4)(H) applies.

SECTION 3.02. Amends Section 31.03(h), Penal Code, by adding Subdivision (9) to define "disaster area."

SECTION 3.03. Amends Subchapter D, Chapter 32, Penal Code, by adding Section 32.61, as follows:

Sec. 32.61. MALICIOUS SOLICITATION OF DISASTER VICTIM OR FOR DISASTER RESPONSE OR RECOVERY. (a) Defines "disaster," "disaster volunteer," "relative," and "victim of a disaster."

(b) Provides that a person commits an offense if the person, with the intent to defraud or harm any person:

(1) solicits a donation from another person while inducing the other person to believe that the donation will be used for disaster response or recovery, regardless of the manner of solicitation;

(2) solicits donations on behalf of a donee with the intent to retain the donations instead of delivering the donations to the donee on whose behalf the donations were solicited;

(3) solicits payment from a victim of a disaster after taking certain actions;
or

(4) solicits payment from a victim of a disaster while inducing the victim to believe that the actor will search for or return to the victim a relative who is believed to be missing as a result of the disaster.

(c) Provides that an offense under Subsection (b)(1), (2), or (3) is, for a first offense, a felony of the third degree or, for a second or subsequent offense, a felony of the second degree.

(d) Provides that, notwithstanding Subsection (c), an offense under Subsection (b)(1), (2), or (3) is a felony of the first degree if the person fabricated an accreditation seal described by Section 418.405, Government Code.

(e) Provides that an offense under Subsection (b)(4) is a felony of the first degree.

(f) Authorizes the actor, if conduct that constitutes an offense under this section also constitutes an offense under any other law, to be prosecuted under this section or the other law, or both.

SECTION 3.04. Makes application of Section 31.03, Penal Code, as amended by this article, prospective.

ARTICLE 4. CIVIL LIABILITY FOR MALICIOUS SOLICITATION DURING DISASTER

SECTION 4.01. Amends Title 4, Civil Practice and Remedies Code, by adding Chapter 100D, as follows:

CHAPTER 100D. LIABILITY FOR MALICIOUS SOLICITATION DURING DISASTER

Sec. 100D.001. DEFINITION. Defines "malicious solicitation during a disaster."

Sec. 100D.002. LIABILITY. Provides that a person who engages in malicious solicitation during a disaster is liable to the donee on whose behalf the payment was collected, the donee's estate, the donor from whom the payment was solicited, or the donor's estate.

Sec. 100D.003. DAMAGES. (a) Requires a court to award a donee or donee's estate who prevails in an action brought under this chapter 300 percent of the amount of donations the defendant collected on behalf of the donee and reasonable and necessary attorney's fees.

(b) Requires a court to award a donor or a donor's estate who prevails in an action under this chapter 300 percent of the amount of donations the defendant collected on behalf of the donee and reasonable and necessary attorney's fees.

(c) Provides that nothing in this section prevents a donee, donee's estate, donor, or donor's estate from pursuing a claim for exemplary damages under Chapter 41 (Damages) for the defendant's malicious solicitation during a disaster.

SECTION 4.02. Makes application of Chapter 100D, Civil Practice and Remedies Code, as added by this article, prospective.

ARTICLE 5. EFFECTIVE DATE

SECTION 5.01. Effective date: the 91st day after the last day of the legislative session.