

BILL ANALYSIS

S.B. 2690
By: Hancock
Trade, Workforce & Economic Development
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The bill sponsor has informed the committee that businesses and other organizations have received mail and phone solicitations informing them they need certain required governmental certifications for their businesses. The bill sponsor has further informed the committee that these soliciting entities send notices that mimic governmental notices and governmental mailing addresses in order to deceive their victims into paying many times what it costs to request and receive documents from appropriate governmental sources. S.B. 2690 seeks to provide for a civil framework to discourage this practice.

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

S.B. 2690 amends the Business & Commerce Code to prohibit a nongovernmental entity or individual from mailing, or directing another person to mail, a solicitation for the retrieval of a business certification document unless the solicitor includes with the mailed solicitation the disclosure required by these provisions, prominently displayed in 18-point, boldfaced type, and in capital letters in English, Spanish, and any other language in which the solicitation is printed. Accordingly, the bill requires the disclosure described by these provisions to state the following:

THIS NOTICE IS NOT FROM A GOVERNMENTAL ENTITY.
BUSINESS CERTIFICATION DOCUMENTS CAN BE OBTAINED
DIRECTLY FROM THE TEXAS SECRETARY OF STATE'S OFFICE.

For these purposes, the bill defines "business certification document" as a document required to be filed with the secretary of state under Business Organizations Code relating to filings, or produced by the secretary of state affirming that such a document was filed or that a specific business organization exists.

S.B. 2690 authorizes a nongovernmental entity or individual from making, or directing another person to make, a telephone or in-person solicitation for the retrieval of a business certification document on the condition that the solicitor provides to each person solicited, at the beginning of the solicitation and again before accepting payment from the person, the following disclaimer: "I do not work for a governmental entity; business certification documents can be obtained directly from the Texas secretary of state's office." The bill requires the solicitor to make the statement to the person being solicited slowly, in a clear voice, and in the same language in which the solicitation is made.

S.B. 2690 authorizes a complaint concerning the bill's provisions to be made to the secretary of state and requires the secretary of state to investigate such a complaint. The bill authorizes the secretary of state to refer the complaint to the attorney general. The bill makes a person who violates the bill's provisions liable to the state for a civil penalty in an amount not to exceed \$500 for each violation and establishes that each solicitation is a separate violation for purposes of the bill's provisions. The bill requires a court, in determining the amount of the civil penalty imposed under these provisions, to consider the amount necessary to deter future violations. The bill authorizes the attorney general or the county attorney or district attorney in the county in which the violation occurs to bring an action to recover a civil penalty under these provisions.

S.B. 2690 applies only to a solicitation made on or after the bill's effective date.

EFFECTIVE DATE

September 1, 2025.