

By: McQueeney, Lalani, et al.

H.B. No. 4281

A BILL TO BE ENTITLED

AN ACT

relating to a civil cause of action for fraudulent crowdfunding.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Title 4, Civil Practice and Remedies Code, is amended by adding Chapter 100B to read as follows:

CHAPTER 100B. LIABILITY FOR FRAUDULENT CROWDFUNDING

Sec. 100B.001. DEFINITION. In this chapter, "fraudulent crowdfunding" means collecting donations on behalf of a donee with the intent to keep the donations instead of giving the donations to the donee on whose behalf the donations were made.

Sec. 100B.002. LIABILITY FOR FRAUDULENT CROWDFUNDING. A person who engages in fraudulent crowdfunding is liable to the donee on whose behalf the donations were made or the donee's estate.

Sec. 100B.003. DAMAGES. (a) A court shall award a donee or donee's estate who prevails in an action brought under this chapter:

(1) 125 percent of the amount of donations the defendant collected on behalf of the donee through the fraudulent crowdfunding; and

(2) reasonable and necessary attorney's fees.

(b) Nothing in this section prevents the donee or the donee's estate from pursuing a claim for exemplary damages under Chapter 41 for the defendant's fraudulent crowdfunding.

SECTION 2. Chapter 100B, Civil Practice and Remedies Code,

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1 as added by this Act, applies only to a cause of action that accrues  
2 on or after the effective date of this Act.

3 SECTION 3. This Act takes effect September 1, 2025.