

HOUSE RESEARCH

Bill Summary

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Version: As introduced

Authors: Zellers and others

Subject: Lawsuits for consumer fraud

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Overview

This bill limits lawsuits for damages based upon allegations of consumer fraud.

Section

- 1 **Private remedies.** Makes the existing subdivision subject to the new subdivision added in the following section.
- 2 **Private remedies for prevention of consumer fraud act and false statement in advertising act.** Limits the right to sue for consumer fraud and related claims in several ways. Limits this to "natural persons" (individuals as opposed to corporations and other business or governmental entities, which are "artificial persons") and to those who bought or leased goods, services, or real estate for household purposes. Requires each plaintiff to be able to prove that the person entered into the transaction only because of the fraud and suffered an out-of-pocket loss. Defines an out-of-pocket loss as the difference between what the consumer paid and the value of what the consumer received. Provides that any party to an action for damages for consumer fraud may demand a jury trial.
- 3 **Revisor instruction.** Requires renumbering of subdivisions.
- 4 **Effective date.** Makes the bill effective July 1, 2005, and apply to all cases pending or filed on or after that date.