SUBJECT: Establishing an organized retail theft task force

COMMITTEE: Criminal Jurisprudence — committee substitute recommended

VOTE: 9 ayes — Moody, Cook, Bhojani, Bowers, Darby, Harrison, Leach, C. Morales, Schatzline

0 nays

WITNESSES: For — Allen Horne, CVS Health; John McCord, Texas Retailers Association; Celinda Gonzalez, The Home Depot (*Registered, but did not testify*: Jim Dow, Amazon; M Paige Williams, Dallas County Criminal District Attorney John Creuzot; James Parnell, Dallas Police Association; Matthew Garcia, Dallas Regional Chamber; Chris Hosek, Gap Inc.; Ray Hunt, Houston Police Officers' Union; Dana Chiodo, International Council of Shopping Centers; Carlos Ortiz, San Antonio Police Officers Association; Servando Esparza, TechNet; Desiree Castro, Texas Food and Fuel Association; John Wilkerson, Texas Municipal Police Association; AJ Louderback, Texas Sheriffs Regional Alliance; Morris Wilkes, United Supermarkets; Fred Shannon, Walmart; Richard Millette)

Against — (*Registered, but did not testify*: Kai Bovik; Calvin Tillman)

On — (*Registered, but did not testify*: Justin Scott, Texas Comptroller of Public Accounts; Will Counihan, James Harris,)

BACKGROUND: Penal Code sec. 31.16 defines "organized retail theft," stating that a person commits an offense if the person intentionally conducts, promotes, or facilitates an activity in which the person receives, possesses, conceals, stores, barters, sells, or disposes of stolen retail merchandise or merchandise explicitly represented to the person as being stolen retail merchandise.

Concerns have been raised that organized retail theft is a growing problem across the state.

DIGEST:

CSHB 1826 would establish an organized retail theft task force to study and make recommendations related to preventing organized retail theft in the state.

The comptroller would be required to appoint the task force. Membership would include:

- at least one representative from a retailer with a physical retail location;
- at least one representative from an online retailer; and
- representatives from local, state, and federal law enforcement agencies.

The comptroller would designate a member as the presiding officer.

The bill would require the task force to meet at least quarterly at the call of the presiding officer. Task force meetings could be conducted online.

The bill would require the task force to conduct an ongoing study of organized retail theft in the state. In conducting the study, the task force would review laws and regulations addressing organized retail theft in other jurisdictions, including international political and economic organizations. The task force also would analyze:

- the impact of organized retail theft on the collection of sales tax;
- the long-term economic impacts of organized retail theft; and
- the advantages and disadvantages of taking various actions to reduce organized retail theft.

The task force would make recommendations regarding:

- organized retail theft outreach and prevention programs, including coordination among stakeholders, including local, state, and federal law enforcement agencies; and
- training for law enforcement officers and prosecutors on effective strategies for combating organized retail theft.

The members of the task force could consult with any organization, governmental entity, or person the task force considered necessary, in addition to being allowed to collaborate and share information relating to an active criminal investigation with one another regardless of whether the information would otherwise be confidential and not subject to disclosure under certain statutes regarding public information.

The task force would be required in even-numbered years to submit a report of the study conducted to the governor, the lieutenant governor, the speaker of the House of Representatives, the comptroller, and each standing committee of the Legislature with primary jurisdiction over criminal justice matters.

The report would be required to include legislative and other recommendations to increase transparency, improve security, enhance consumer protections, prevent organized retail theft, and address the long-term economic impact of organized retail theft.

The task force would not be governed by certain statutes regulating the duration and appointment of the presiding officer for state agency advisory committees.

The bill would take effect September 1, 2023. The comptroller would be required to appoint the task force as soon as practicable after the effective date of the bill.