

OCCUPATIONS CODE

TITLE 11. REGULATION OF SALES AND SOLICITATION

CHAPTER 1804. SOLICITATION FOR VETERANS ORGANIZATIONS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1804.001. DEFINITIONS. In this chapter:

(1) "Veteran" means a person who has served on active duty in the armed forces of the United States or in the state military forces as defined by Section [437.001](#), Government Code.

(2) "Veterans organization" means a formally or informally formed nongovernmental entity that:

(A) purports to include or represent veterans;
or

(B) includes a term in its name leading a reasonable person to assume the organization is associated with veterans or concerned with veterans' issues.

(3) "Veterans organization solicitor" means a person who receives monetary compensation for solicitation services for a veterans organization and who solicits:

(A) a contribution of financial support or a purchase of goods or services for a veterans organization in person, by telephone, or by mail; or

(B) membership in a veterans organization from an individual who is not a veteran.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1217 (S.B. [1536](#)), Sec. 3.17, eff. September 1, 2013.

Sec. 1804.002. EFFECT ON MUNICIPAL ORDINANCE. This chapter does not preempt a municipal ordinance applicable to a veterans organization or a veterans organization solicitor.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

SUBCHAPTER B. REGISTRATION REQUIREMENTS

Sec. 1804.051. REQUIREMENTS FOR SOLICITATION. (a) A veterans organization may not use a veterans organization solicitor unless:

(1) the organization:

(A) files a registration statement under Section 1804.053; and

(B) files and maintains a bond under Section 1804.101; and

(2) the solicitor complies with the requirements of Subsection (b).

(b) A person may not act as a veterans organization solicitor unless the person:

(1) files a registration statement under Section 1804.054; and

(2) files and maintains a bond under Section 1804.102.
Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 1804.052. ELIGIBILITY TO USE SOLICITOR. (a) A veterans organization may register under Section 1804.053 and use a veterans organization solicitor only if the organization consists of individual members:

(1) of whom at least 90 percent or 500, whichever is less, are veterans; and

(2) who have signed membership agreements with the organization.

(b) A veterans organization may not use a veterans organization solicitor and a veterans organization solicitor may not solicit for a veterans organization if the organization or the solicitor has on three or more occasions forfeited a bond filed under this chapter.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 1804.053. REGISTRATION STATEMENT BY VETERANS ORGANIZATION. (a) Before beginning solicitations, a veterans organization must file with the secretary of state a registration statement containing:

(1) the name, street address, and telephone number of

each solicitor that solicits for the veterans organization;

(2) the name, street address, and telephone number of each veterans organization or fund for which any part of the contributions will be used, or, if there is no organization or fund, a statement describing how the contributions will be used;

(3) a statement of whether the veterans organization or fund for which the contributions are solicited has a federal and state charitable tax exemption;

(4) the name of each veteran serving on the board of directors or governing body of the veterans organization or fund for which the contributions are solicited;

(5) a statement of the number of members who are veterans and the percentage of members of the veterans organization that are veterans, as determined on December 31 preceding the year in which the statement is filed;

(6) the name of each local chapter, lodge, association, or group of veterans that is a member of the veterans organization for which contributions are solicited;

(7) a copy of the Internal Revenue Service Form 990, or its successor, the veterans organization most recently filed; and

(8) the name, address, and telephone number of the surety for the bond filed under Section [1804.101](#).

(b) The registration statement must be accompanied by a \$150 registration fee and the original copy of the bond required under Section [1804.101](#).

(c) A registration statement issued under this section takes effect on the date the secretary of state issues a certificate and is valid for one year. The statement may be renewed annually by filing a renewal registration statement and paying the registration fee required by Subsection (b).

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 1804.054. SOLICITOR REGISTRATION STATEMENT. Before beginning solicitations for a veterans organization, a veterans organization solicitor must file with the secretary of state a registration statement containing:

(1) the name, address, and telephone number of the

solicitor;

(2) the name, address, and telephone number of each veterans organization on whose behalf the solicitor solicits or will solicit; and

(3) the name of any other state in which the solicitor is registered as a veterans organization solicitor and the registration's status.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 1804.055. SOLICITOR REGISTRATION FEE. (a) A registration statement under Section 1804.054 must be accompanied by:

(1) a \$500 registration fee; and

(2) a bond required under Section 1804.102.

(b) A registration statement issued under this section takes effect on the date the secretary of state issues a certificate and is valid for one year. A registration statement may be renewed annually by filing a renewal registration statement and paying the registration fee required by Subsection (a).

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

SUBCHAPTER C. BONDING AND REPORTING REQUIREMENTS

Sec. 1804.101. VETERANS ORGANIZATION BOND. (a) A veterans organization using a veterans organization solicitor shall post a surety bond with the secretary of state:

(1) in the amount of \$1,000 if the organization is a veterans organization chartered by the United States Congress; or

(2) if the organization is not chartered by the United States Congress, in the amount of:

(A) \$5,000 if the organization solicits in only one county;

(B) \$10,000 if the organization solicits in more than one county but fewer than six counties; or

(C) \$25,000 if the organization solicits in six or more counties.

(b) The bond must be payable to the state and conditioned on

compliance with this chapter.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 1804.102. SOLICITOR BOND. (a) A veterans organization solicitor shall post a surety bond with the secretary of state in the amount of:

(1) \$5,000 if the solicitor solicits in only one county;

(2) \$10,000 if the solicitor solicits in more than one county but fewer than six counties; or

(3) \$25,000 if the solicitor solicits in six or more counties.

(b) The bond must be payable to the state and conditioned on compliance with this chapter.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 1804.103. VETERANS ORGANIZATION REPORTS. (a) Before January 15 of each year, each veterans organization that received more than \$500 in solicitations during the preceding calendar year shall file with the secretary of state a report that includes:

(1) the name and address of the veterans organization and each officer authorized to spend the organization's funds; and

(2) the total amounts from all sources spent by the organization for each of the following:

(A) administrative expenses;

(B) travel expenses of officers of the organization;

(C) travel expenses of each member of the organization;

(D) gifts to veterans or other veterans organizations;

(E) gifts to nonveterans;

(F) payments for the purchase, rental, or lease of and repairs to facilities used by the organization; and

(G) any other expenditures.

(b) A \$50 filing fee must accompany each report filed under this section.

(c) A veterans organization that is chartered by the United States Congress and that has subsidiary organizations may:

(1) collect the reports of the subsidiary organizations; and

(2) file its report and the reports of its subsidiary organizations together and pay a single filing fee.

(d) A veterans organization shall require an individual to sign a receipt for the funds given to the individual for the individual's personal use before the funds are delivered. The organization shall keep a receipt for the expenditure for seven years after the date of the expenditure.

(e) The reports and receipts are public records and the veterans organization shall make them available to any person who requests them in writing.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 1804.104. SOLICITOR REPORTS. (a) At the end of each calendar quarter, a solicitor who raises more than \$5,000 for a veterans organization during that period shall file with the secretary of state a report that includes:

(1) the name, address, and telephone number of the solicitor;

(2) the gross amount raised by the solicitor for the veterans organization;

(3) the amount paid to the veterans organization; and

(4) the name and address of the person representing the veterans organization to which the amount was paid.

(b) A \$50 filing fee must accompany each report.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

SUBCHAPTER D. SOLICITATION RESTRICTIONS

Sec. 1804.151. SOLICITATION DISCLOSURE. (a) A veterans organization solicitor shall disclose at the time each solicitation is made the following information: "The secretary of state has on file important information about persons that seek contributions in the name of veterans, and the number to call about that information

is the Solicitation Information Hotline (the number maintained by the secretary of state)."

(b) The disclosure must be made:

(1) orally if the solicitation is in person or by telephone; and

(2) by printed notice in any printed matter distributed by the solicitor.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 1804.152. SOLICITATION INFORMATION HOTLINE. The secretary of state shall establish and operate a toll-free telephone line known as the Solicitation Information Hotline that enables a person to call the hotline number to:

(1) obtain information concerning a veterans organization or solicitor that has filed a statement with the secretary of state under this chapter; or

(2) report an alleged violation of this chapter by a solicitor or a veterans organization.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 1804.153. PROHIBITED PRACTICES. (a) A veterans organization solicitor may not solicit on behalf of a veterans organization in a county other than a county that the veterans organization serves unless the solicitor discloses to the person being solicited the county or counties actually served by the organization.

(b) A contribution or membership fee solicited at a person's residence in person or by telephone may not be collected except through the United States mail or parcel post courier.

(c) A veterans organization solicitor may not make a materially false or misleading statement of fact during a solicitation that would lead a responsible person to believe that proceeds of the solicitation are being used or will be used for a purpose other than the purpose for which the proceeds are actually used.

(d) A veterans organization solicitor or a veterans organization may not make a material misrepresentation in a

registration statement.

(e) For purposes of Subsection (d), overstating the number of veterans who are members of the veterans organization by more than three percent of the organization's total membership is a material misrepresentation.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

SUBCHAPTER E. ENFORCEMENT AND PENALTIES

Sec. 1804.201. AUDIT BY ATTORNEY GENERAL. (a) The attorney general may request reasonable and necessary information from a veterans organization or a veterans organization solicitor for the purpose of auditing or verifying the representations contained in a registration statement.

(b) The attorney general may audit representations made by a veterans organization solicitor during a solicitation to determine whether the solicitation complies with this chapter.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 1804.202. CRIMINAL PENALTIES. (a) A person commits an offense if the person knowingly violates this chapter.

(b) An offense under this section is a Class B misdemeanor, except that if it is shown on trial of the offense that the defendant has been convicted previously under this section, the offense is a Class A misdemeanor.

(c) A corporation or association may be held criminally responsible for the conduct of a person acting on its behalf if the person's conduct constitutes an offense under this section.

(d) It is a defense to prosecution under this section that:

(1) the defendant is a veterans organization;

(2) the person whose conduct constitutes the offense was acting on behalf of a corporation or association with which the veterans organization had contracted for services; and

(3) the person committed the conduct without the knowledge of the veterans organization.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 1804.203. ENFORCEMENT AND INJUNCTION. (a) The attorney general may bring an action in a Travis County district court to enjoin a person from violating this chapter.

(b) The attorney general shall notify the defendant of the alleged prohibited conduct not later than the seventh day before the date the action is commenced.

(c) Notice is not required if the attorney general intends to request that the court issue a temporary restraining order.
Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 1804.204. CIVIL PENALTIES. (a) A person who violates this chapter is liable to the state for a civil penalty of not more than \$10,000 for each violation.

(b) A person who violates an injunction issued under this chapter is liable to the state for a civil penalty of not less than \$100,000.

(c) The attorney general shall bring an action to recover a civil penalty.

(d) If the violator has filed a bond under this chapter, the suit may be brought against the bond.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 1804.205. SUIT ON BOND. (a) A person injured by a violation of this chapter may bring an action or join an action brought by the state to recover against a bond filed under this chapter.

(b) The court may assess costs of litigation and reasonable attorney's fees incurred by a plaintiff other than the state or by a defendant who substantially prevails.

(c) In an action brought by a private plaintiff and the state under this chapter, if the amount claimed exceeds the amount of the bond, money derived from a bond forfeiture first applies to pay the private plaintiff's damages and attorney's fees, and any remaining amount is forfeited to the state.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 1804.206. AVAILABILITY OF OTHER REMEDIES. This

chapter does not:

(1) prevent the state or an injured party from bringing an action to recover a contribution obtained by misrepresentation; or

(2) limit other causes of action available to a plaintiff by statute or common law.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.