

1-1 By: Thompson of Harris (Senate Sponsor - Zaffirini) H.B. No. 4477
1-2 (In the Senate - Received from the House May 10, 2021;
1-3 May 10, 2021, read first time and referred to Committee on Business
1-4 & Commerce; May 20, 2021, reported favorably by the following vote:
1-5 Yeas 9, Nays 0; May 20, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED
1-18 AN ACT

1-19 relating to the financial exploitation of certain vulnerable
1-20 adults.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section 281.001(5), Finance Code, is amended to
1-23 read as follows:

1-24 (5) "Vulnerable adult" means:

1-25 (A) an elderly person as that term is defined by
1-26 Section 48.002, Human Resources Code; or

1-27 (B) a person with a disability as that term is
1-28 defined by Section 48.002, Human Resources Code~~;~~ or

1-29 ~~[(C) an individual receiving services as that
1-30 term is defined by rule by the executive commissioner of the Health
1-31 and Human Services Commission as authorized by Section 48.251(b),
1-32 Human Resources Code].~~

1-33 SECTION 2. Sections 281.004(a) and (b), Finance Code, are
1-34 amended to read as follows:

1-35 (a) Notwithstanding any other law, ~~[if]~~ a financial
1-36 institution ~~[submits a report of suspected financial exploitation
1-37 of a vulnerable adult to the department under Section 281.002(b),
1-38 the financial institution]:~~

1-39 (1) may place a hold on any transaction that ~~[+]~~
1-40 ~~[(A)]~~ involves an account of a ~~[the]~~ vulnerable
1-41 adult if ~~[, and~~

1-42 ~~[(B)]~~ the financial institution:

1-43 (A) submits a report of suspected financial
1-44 exploitation of the vulnerable adult to the department under
1-45 Section 281.002(b); and

1-46 (B) has cause to believe the transaction is
1-47 related to the suspected financial exploitation alleged in the
1-48 report; and

1-49 (2) must place a hold on any transaction involving an
1-50 account of a ~~[the]~~ vulnerable adult if the hold is requested by the
1-51 department or a law enforcement agency.

1-52 (b) Subject to Subsection (c), a hold placed on any
1-53 transaction under Subsection (a) expires on the 10th business day
1-54 after the date the hold is placed ~~[the financial institution
1-55 submits the report under Section 281.002(b)].~~

1-56 SECTION 3. Sections 4004.355(a) and (b), Government Code,
1-57 as effective January 1, 2022, are amended to read as follows:

1-58 (a) Notwithstanding any other law, ~~[if]~~ a dealer or
1-59 investment adviser ~~[submits reports of suspected financial
1-60 exploitation of a vulnerable adult to the commissioner and the
1-61 department under Section 4004.352(b), the dealer or investment~~

2-1 ~~adviser]:~~
 2-2 (1) may place a hold on any transaction that[+
 2-3 [~~(A)~~] involves an account of a a [~~the~~] vulnerable
 2-4 adult if[+,~~and~~
 2-5 [~~(B)~~] the dealer or investment adviser:
 2-6 (A) submits a report of suspected financial
 2-7 exploitation of the vulnerable adult to the commissioner and the
 2-8 department under Section 4004.352(b); and
 2-9 (B) has cause to believe the transaction is
 2-10 related to the suspected financial exploitation alleged in the
 2-11 report; and
 2-12 (2) must place a hold on any transaction involving an
 2-13 account of a a [~~the~~] vulnerable adult if the hold is requested by the
 2-14 commissioner, the department, or a law enforcement agency.
 2-15 (b) Subject to Subsection (c), a hold placed on any
 2-16 transaction under Subsection (a) expires on the 10th business day
 2-17 after the date the hold is placed [~~the dealer or investment adviser~~
 2-18 ~~submits the reports under Section 4004.352(b)].~~
 2-19 SECTION 4. Subsections G and H, Section 45, The Securities
 2-20 Act (Article 581-45, Vernon's Texas Civil Statutes), are amended to
 2-21 read as follows:
 2-22 G. Notwithstanding any other law, [~~if~~] a dealer or
 2-23 investment adviser [~~submits reports of suspected financial~~
 2-24 ~~exploitation of a vulnerable adult to the Securities Commissioner~~
 2-25 ~~and the department under Subsection C of this section, the dealer or~~
 2-26 ~~investment adviser]:~~
 2-27 (1) may place a hold on any transaction that[+
 2-28 [~~(A)~~] involves an account of a a [~~the~~] vulnerable
 2-29 adult if[+,~~and~~
 2-30 [~~(B)~~] the dealer or investment adviser:
 2-31 (A) submits a report of suspected financial
 2-32 exploitation of the vulnerable adult to the Securities Commissioner
 2-33 and the department under Subsection C of this section; and
 2-34 (B) has cause to believe the transaction is
 2-35 related to the suspected financial exploitation alleged in the
 2-36 report; and
 2-37 (2) must place a hold on any transaction involving an
 2-38 account of a a [~~the~~] vulnerable adult if the hold is requested by the
 2-39 Securities Commissioner, the department, or a law enforcement
 2-40 agency.
 2-41 H. Subject to Subsection I of this section, a hold placed on
 2-42 any transaction under Subsection G of this section expires on the
 2-43 10th business day after the date the hold is placed [~~the dealer or~~
 2-44 ~~investment adviser submits the reports under Subsection C of this~~
 2-45 ~~section].~~
 2-46 SECTION 5. Except as otherwise provided by this Act, this
 2-47 Act takes effect September 1, 2021.

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