

BILL ANALYSIS

C.S.H.B. 4477
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Pensions, Investments & Financial Services
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Department of Family and Protective Services Adult Protective Services (APS) division receives most reports of financial exploitation of vulnerable adults from sources other than financial institutions or securities professionals. In fiscal year 2018 alone, APS received a total of 16,490 such reports, 12,678 of which came from those other sources. Current law, however, allows APS to request a transaction hold only when a financial institution or securities professional reports suspected financial exploitation. In such cases APS must contact the financial institution or professional and request that they make a report to APS so that a hold can be placed on the transaction in question. This process may delay the placement of the hold and waste valuable time for all parties involved. C.S.H.B. 4477 seeks to address these concerns by changing the expiration date for such a hold on a suspected exploitative transaction and by revising the definition of "vulnerable adult" for purposes of the applicable state law.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 4477 amends the Finance Code, the Government Code, and the Securities Act, Vernon's Texas Civil Statutes, to change the date a hold expires on certain transactions involving suspected exploitation of a vulnerable adult from the 10th business day after a financial institution submits a report of the suspected financial exploitation to the Department of Family and Protective Services (DFPS), or a dealer or investment advisor submits such a report to DFPS and the securities commissioner, as applicable, to the 10th business day after the date the hold is placed.

C.S.H.B. 4477 revises the definition of "vulnerable adult," for purposes of provisions relating to protection of vulnerable adults from financial exploitation, by removing from the definition an individual receiving services, as that term is defined by rule by the executive commissioner of the Health and Human Services Commission. The Government Code provisions amended by the bill take effect January 1, 2022.

EFFECTIVE DATE

Except as otherwise provided, September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 4477 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute revises the definition of "vulnerable adult" in a different manner from the original.

The original based a financial institution's authority to place a hold, in part, on the condition that the institution had submitted a report of suspected financial exploitation, with reference to the past tense as if the report must have already been submitted. The substitute retains the language in current law to authorize the hold to be placed if the financial institution submits a report.