87R21026 MLH-D

By:  Thompson of Harris H.B. No. 4477

Substitute the following for H.B. No. 4477:

By:  Vo C.S.H.B. No. 4477

A BILL TO BE ENTITLED

AN ACT

relating to the financial exploitation of certain vulnerable adults.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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

(5)  "Vulnerable adult" means:

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

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

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

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

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

(1)  may place a hold on any transaction that[~~:~~

[~~(A)~~]  involves an account of a [~~the~~] vulnerable adult if[~~; and~~

[~~(B)~~]  the financial institution:

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

(B)  has cause to believe the transaction is related to the suspected financial exploitation alleged in the report; and

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

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

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

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

(1)  may place a hold on any transaction that[~~:~~

[~~(A)~~]  involves an account of a [~~the~~] vulnerable adult if[~~; and~~

[~~(B)~~]  the dealer or investment adviser:

(A)  submits a report of suspected financial exploitation of the vulnerable adult to the commissioner and the department under Section 4004.352(b); and

(B)  has cause to believe the transaction is related to the suspected financial exploitation alleged in the report; and

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

(b)  Subject to Subsection (c), a hold placed on any transaction under Subsection (a) expires on the 10th business day after the date the hold is placed [~~the dealer or investment adviser submits the reports under Section 4004.352(b)~~].

SECTION 4.  Subsections G and H, Section 45, The Securities Act (Article 581-45, Vernon's Texas Civil Statutes), are amended to read as follows:

G.  Notwithstanding any other law, [~~if~~] a dealer or investment adviser [~~submits reports of suspected financial exploitation of a vulnerable adult to the Securities Commissioner and the department under Subsection C of this section, the dealer or investment adviser~~]:

(1)  may place a hold on any transaction that[~~:~~

[~~(A)~~]  involves an account of a [~~the~~] vulnerable adult if[~~; and~~

[~~(B)~~]  the dealer or investment adviser:

(A)  submits a report of suspected financial exploitation of the vulnerable adult to the Securities Commissioner and the department under Subsection C of this section; and

(B)  has cause to believe the transaction is related to the suspected financial exploitation alleged in the report; and

(2)  must place a hold on any transaction involving an account of a [~~the~~] vulnerable adult if the hold is requested by the Securities Commissioner, the department, or a law enforcement agency.

H.  Subject to Subsection I of this section, a hold placed on any transaction under Subsection G of this section expires on the 10th business day after the date the hold is placed [~~the dealer or investment adviser submits the reports under Subsection C of this section~~].

SECTION 5.  Except as otherwise provided by this Act, this Act takes effect September 1, 2021.