

By: Thompson of Harris

H.B. No. 4477

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the financial exploitation of certain vulnerable
3 adults.

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

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

7 (5) "Vulnerable adult" means:

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

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

12 (C) an individual receiving protective services
13 as that term is defined by [~~rule by the executive commissioner of~~
14 ~~the Health and Human Services Commission as authorized by~~] Section
15 48.002 [~~48.251(b)~~], Human Resources Code.

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

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

22 (1) may place a hold on any transaction that [+]

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

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

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

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

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

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

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

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

22 (1) may place a hold on any transaction that~~+~~
23 ~~[(A)]~~ involves an account of a ~~[the]~~ vulnerable
24 adult if ~~[, and~~

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

26 (A) submitted a report of suspected financial
27 exploitation of the vulnerable adult to the commissioner and the

1 department under Section 4004.352(b); and

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

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

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

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

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

20 (1) may place a hold on any transaction that ~~[+~~
21 ~~[(A)]~~ involves an account of a a ~~[the]~~ vulnerable
22 adult if ~~[, and~~

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

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

27 (B) has cause to believe the transaction is

1 related to the suspected financial exploitation alleged in the
2 report; and

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

7 H. Subject to Subsection I of this section, a hold placed on
8 any transaction under Subsection G of this section expires on the
9 10th business day after the date the hold is placed ~~[the dealer or~~
10 ~~investment adviser submits the reports under Subsection C of this~~
11 ~~section]~~.

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