

1-1 By: Johnson, et al. S.B. No. 2373
1-2 (In the Senate - Filed March 12, 2025; March 25, 2025, read
1-3 first time and referred to Committee on Criminal Justice;
1-4 May 5, 2025, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 7, Nays 0; May 5, 2025, sent
1-6 to printer.)

1-7	COMMITTEE VOTE				
1-8		Yea	Nay	Absent	PNV
1-9	Flores	X			
1-10	Parker	X			
1-11	Hagenbuch	X			
1-12	Hinojosa of Hidalgo	X			
1-13	Huffman	X			
1-14	King	X			
1-15	Miles	X			

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 2373 By: Flores

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

1-19 relating to financial exploitation or financial abuse using
1-20 artificially generated media or phishing communications; providing
1-21 a civil penalty; creating a criminal offense.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-23 SECTION 1. Title 4, Civil Practice and Remedies Code, is
1-24 amended by adding Chapter 100B to read as follows:

1-25 CHAPTER 100B. LIABILITY FOR FINANCIAL EXPLOITATION
1-26 Sec. 100B.001. DEFINITIONS. In this chapter:

1-27 (1) "Artificial intelligence" means a machine-based
1-28 system that can, for a given set of explicit or implicit objectives,
1-29 make predictions, recommendations, or decisions that influence
1-30 real or virtual environments.

1-31 (2) "Artificially generated media" means an image, an
1-32 audio file, a video file, a radio broadcast, written text, or other
1-33 media created or modified using artificial intelligence or other
1-34 computer software with the intent to deceive.

1-35 (3) "Exploitation" and "financial exploitation" have
1-36 the meanings assigned by Section 281.001, Finance Code.

1-37 (4) "Phishing communication" means an attempt to
1-38 deceive or manipulate a person into providing personal, financial,
1-39 or identifying information through e-mail, electronic
1-40 communication, or other digital means.

1-41 Sec. 100B.002. CAUSE OF ACTION FOR DISSEMINATION OF CERTAIN
1-42 COMMUNICATIONS FOR FINANCIAL EXPLOITATION. (a) A person is liable
1-43 for damages resulting from a knowing or intentional dissemination
1-44 of artificially generated media or a phishing communication for the
1-45 purpose of financial exploitation.

1-46 (b) A court shall award a claimant who prevails in an action
1-47 brought under this section:

1-48 (1) actual damages, including damages for mental
1-49 anguish and the defendant's profits attributable to the
1-50 dissemination of the artificially generated media or phishing
1-51 communication; and

1-52 (2) court costs and reasonable attorney's fees
1-53 incurred in bringing the action.

1-54 (c) A court in which an action is brought under this
1-55 section, on a motion of a claimant, may issue a temporary
1-56 restraining order or a temporary or permanent injunction to
1-57 restrain and prevent the further dissemination of artificially
1-58 generated media or a phishing communication to the claimant.

1-59 (d) This section may not be construed to impose liability on
1-60 the provider of an interactive computer service, as defined by 47

U.S.C. Section 230(f), or a telecommunications service, as defined by 47 U.S.C. Section 153, for content provided by another person.

Sec. 100B.003. CIVIL PENALTY FOR DISSEMINATION OF CERTAIN COMMUNICATIONS FOR FINANCIAL EXPLOITATION. (a) A person who knowingly or intentionally disseminates artificially generated media or a phishing communication for purposes of financial exploitation is subject to a civil penalty not to exceed \$1,000 per day the media or communication is disseminated. The attorney general may bring an action to collect the civil penalty.

(b) An action brought by the attorney general under this section shall be filed in a district court:

- (1) in Travis County; or
- (2) in any county in which all or part of the events or omissions giving rise to the action occurred.

(c) This section may not be construed to impose liability on the provider of an interactive computer service, as defined by 47 U.S.C. Section 230(f), or a telecommunications service, as defined by 47 U.S.C. Section 153, for content provided by another person.

Sec. 100B.004. CONFIDENTIAL IDENTITY IN ACTION FOR DISSEMINATION OF CERTAIN COMMUNICATIONS. (a) In this section, "confidential identity" means:

- (1) the use of a pseudonym; and
- (2) the absence of any other identifying information, including address, telephone number, and social security number.

(b) In an action brought under Section 100B.002 or 100B.003, the court shall:

(1) notify the person who is the subject of the action as early as possible in the action that the person may use a confidential identity in relation to the action;

(2) allow a person who is the subject of the action to use a confidential identity in all petitions, filings, and other documents presented to the court;

(3) use the person's confidential identity in all of the court's proceedings and records relating to the action, including any appellate proceedings; and

(4) maintain the records relating to the action in a manner that protects the person's confidentiality.

(c) In an action brought under Section 100B.002 or 100B.003, only the following persons are entitled to know the true identifying information about the person who is the subject of the action:

- (1) the court;
- (2) a party to the action;
- (3) an attorney representing a party to the action;

and

(4) a person authorized by a written order of the court specific to that person.

(d) The court shall order that a person entitled to know the true identifying information under Subsection (c) may not divulge that information to anyone without a written order of the court. The court shall hold a person who violates the order in contempt.

(e) Notwithstanding Section 22.004, Government Code, the supreme court may not amend or adopt rules in conflict with this section.

(f) A person is not required to use a confidential identity as provided by this section.

SECTION 2. Subchapter D, Chapter 32, Penal Code, is amended by adding Section 32.56 to read as follows:

Sec. 32.56. FINANCIAL ABUSE USING ARTIFICIALLY GENERATED MEDIA OR PHISHING. (a) In this section:

(1) "Artificially generated media" has the meaning assigned by Section 100B.001, Civil Practice and Remedies Code.

(2) "Financial abuse" has the meaning assigned by Section 32.55.

(b) A person commits an offense if the person knowingly engages in financial abuse:

(1) through the use of artificially generated media disseminated to another person; or

(2) by deceiving or manipulating another person into

providing personal, financial, or identifying information through e-mail, electronic communication, or other digital means.

(c) An offense under this section is:

(1) a Class B misdemeanor if the value of the property taken, appropriated, obtained, retained, or used is less than \$100;

(2) a Class A misdemeanor if the value of the property taken, appropriated, obtained, retained, or used is \$100 or more but less than \$750;

(3) a state jail felony if the value of the property taken, appropriated, obtained, retained, or used is \$750 or more but less than \$2,500;

(4) a felony of the third degree if the value of the property taken, appropriated, obtained, retained, or used is \$2,500 or more but less than \$30,000;

(5) a felony of the second degree if the value of the property taken, appropriated, obtained, retained, or used is \$30,000 or more but less than \$150,000; and

(6) a felony of the first degree if the value of the property taken, appropriated, obtained, retained, or used is \$150,000 or more.

(d) This section does not apply to the provider of an interactive computer service, as defined by 47 U.S.C. Section 230(f), or a telecommunications service, as defined by 47 U.S.C. Section 153, for content provided by another person.

SECTION 3. Section 100B.002, Civil Practice and Remedies Code, as added by this Act, applies only to a cause of action that accrues on or after the effective date of this Act.

SECTION 4. This Act takes effect September 1, 2025.

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