

Representative Kyle R. Andersen proposes the following substitute bill:

FINANCIAL EXPLOITATION PREVENTION ACT

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kyle R. Andersen

Senate Sponsor: Lyle W. Hillyard

6	Cosponsors:	Marsha Judkins	Travis M. Seegmiller
7	Susan Duckworth	Karen Kwan	
	Suzanne Harrison		

LONG TITLE

General Description:

This bill enacts the Financial Exploitation Prevention Act.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ permits a covered financial institution to delay certain transactions under certain circumstances;
- ▶ permits a covered financial institution to notify a law enforcement agency or Adult Protective Services under certain circumstances;
- ▶ grants immunity to a covered financial institution, except under certain circumstances; and
- ▶ requires the Office of the Attorney General to provide certain information regarding financial exploitation on the attorney general's website.

Money Appropriated in this Bill:



24 None

25 **Other Special Clauses:**

26 None

27 **Utah Code Sections Affected:**

28 AMENDS:

29 **13-2-1**, as last amended by Laws of Utah 2019, Chapters 115, 423 and last amended by
30 Coordination Clause, Laws of Utah 2019, Chapter 115

31 ENACTS:

32 **13-57-101**, Utah Code Annotated 1953

33 **13-57-102**, Utah Code Annotated 1953

34 **13-57-201**, Utah Code Annotated 1953

35 **13-57-202**, Utah Code Annotated 1953

36 **13-57-301**, Utah Code Annotated 1953

37 **13-57-302**, Utah Code Annotated 1953

38 **13-57-401**, Utah Code Annotated 1953



40 *Be it enacted by the Legislature of the state of Utah:*

41 Section 1. Section **13-2-1** is amended to read:

42 **13-2-1. Consumer protection division established -- Functions.**

43 (1) There is established within the Department of Commerce the Division of Consumer
44 Protection.

45 (2) The division shall administer and enforce the following:

46 (a) Chapter 5, Unfair Practices Act;

47 (b) Chapter 10a, Music Licensing Practices Act;

48 (c) Chapter 11, Utah Consumer Sales Practices Act;

49 (d) Chapter 15, Business Opportunity Disclosure Act;

50 (e) Chapter 20, New Motor Vehicle Warranties Act;

51 (f) Chapter 21, Credit Services Organizations Act;

52 (g) Chapter 22, Charitable Solicitations Act;

53 (h) Chapter 23, Health Spa Services Protection Act;

54 (i) Chapter 25a, Telephone and Facsimile Solicitation Act;

- 55 (j) Chapter 26, Telephone Fraud Prevention Act;
- 56 (k) Chapter 28, Prize Notices Regulation Act;
- 57 (l) Chapter 32a, Pawnshop and Secondhand Merchandise Transaction Information Act;
- 58 (m) Chapter 34, Utah Postsecondary Proprietary School Act;
- 59 (n) Chapter 34a, Utah Postsecondary School State Authorization Act;
- 60 (o) Chapter 39, Child Protection Registry;
- 61 (p) Chapter 41, Price Controls During Emergencies Act;
- 62 (q) Chapter 42, Uniform Debt-Management Services Act;
- 63 (r) Chapter 49, Immigration Consultants Registration Act;
- 64 (s) Chapter 51, Transportation Network Company Registration Act;
- 65 (t) Chapter 52, Residential Solar Energy Disclosure Act;
- 66 (u) Chapter 53, Residential, Vocational and Life Skills Program Act;
- 67 (v) Chapter 54, Ticket Website Sales Act; [~~and~~]
- 68 (w) Chapter 56, Ticket Transferability Act[~~;~~]; and
- 69 (x) Chapter 57, Financial Exploitation Prevention Act.

70 Section 2. Section 13-57-101 is enacted to read:

71 **CHAPTER 57. FINANCIAL EXPLOITATION PREVENTION ACT**

72 **Part 1. General Provisions**

73 **13-57-101. Title.**

74 This chapter is known as the "Financial Exploitation Prevention Act."

75 Section 3. Section 13-57-102 is enacted to read:

76 **13-57-102. Definitions.**

77 As used in this chapter:

- 78 (1) "Adult Protective Services" means the same as that term is defined in Section
- 79 62A-3-301.
- 80 (2) "Covered financial institution" means any of the following that operate in the state:
- 81 (a) a state or federally chartered:
- 82 (i) bank;
- 83 (ii) savings and loan association;
- 84 (iii) savings bank;
- 85 (iv) industrial bank;

- 86 (v) credit union;
- 87 (vi) trust company; or
- 88 (vii) institution that:
- 89 (A) holds or receives deposits, savings, or share accounts;
- 90 (B) issues certificates of deposit; or
- 91 (C) provides to customers accounts that are subject to withdrawal by checks, drafts, or
- 92 other instruments or by electronic means to effect third party payments; or
- 93 (b) an institution under the jurisdiction of the commissioner of Financial Institutions as
- 94 provided in Title 7, Financial Institutions Act.
- 95 (3) "Financial exploitation" means:
- 96 (a) the wrongful or unauthorized taking, withholding, appropriation, or use of money,
- 97 assets, or other property of an individual; or
- 98 (b) an act or omission, including through a power of attorney, guardianship, or
- 99 conservatorship of an individual, to:
- 100 (i) obtain control, through deception, intimidation, or undue influence, over the
- 101 individual's money, assets, or other property to deprive the individual of the ownership, use,
- 102 benefit, or possession of the individual's money, assets, or other property; or
- 103 (ii) convert the individual's money, assets, or other property to deprive the individual of
- 104 the ownership, use, benefit, or possession of the individual's money, assets, or other property.
- 105 (4) "Law enforcement agency" means the same as that term is defined in Section
- 106 [53-1-102](#).
- 107 (5) "Qualified individual" means:
- 108 (a) a branch manager of a covered financial institution; or
- 109 (b) a director, officer, employee, agent, or other representative that a covered financial
- 110 institution designates.
- 111 (6) "Third party associated with a vulnerable adult" means an individual:
- 112 (a) who is a parent, spouse, adult child, sibling, or other known family member of a
- 113 vulnerable adult;
- 114 (b) whom a vulnerable adult authorizes the financial institution to contact;
- 115 (c) who is a co-owner, additional authorized signatory, or beneficiary on a vulnerable
- 116 adult's account; or

117 (d) who is an attorney, trustee, conservator, guardian or other fiduciary whom a court
118 or a government agency selects to manage some or all of the financial affairs of the vulnerable
119 adult.

120 (7) "Transaction" means any of the following services that a covered financial
121 institution provides:

122 (a) a transfer or request to transfer or disburse funds or assets in an account;

123 (b) a request to initiate a wire transfer, initiate an automated clearinghouse transfer, or
124 issue a money order, cashier's check, or official check;

125 (c) a request to negotiate a check or other negotiable instrument;

126 (d) a request to change the ownership of, or access to, an account;

127 (e) a request to sell or transfer a security or other asset, or a request to affix a medallion
128 stamp or provide any form of guarantee or endorsement in connection with an attempt to sell or
129 transfer a security or other asset, if the person selling or transferring the security or asset is not
130 required to obtain a license under Section [61-1-3](#);

131 (f) a request for a loan, extension of credit, or draw on a line of credit;

132 (g) a request to encumber any movable or immovable property; or

133 (h) a request to designate or change the designation of beneficiaries to receive any
134 property, benefit, or contract right.

135 (8) "Vulnerable adult" means:

136 (a) an individual who is 65 years of age or older; or

137 (b) the same as that term is defined in Section [62A-3-301](#).

138 Section 4. Section **13-57-201** is enacted to read:

139 **Part 2. General Prevention of Financial Exploitation**

140 **13-57-201. Required approval for certain wire transfers.**

141 (1) This section applies to a wire transfer that transfers money from a consumer
142 account at a covered financial institution.

143 (2) If a qualified individual reasonably believes that executing a requested wire transfer
144 will result in financial exploitation, the covered financial institution may:

145 (a) delay the wire transfer; and

146 (b) contact:

147 (i) a law enforcement agency;

- 148 (ii) Adult Protective Services; or
- 149 (iii) a joint co-owner on the account.
- 150 (3) The delay of a wire transfer described in Subsection (2) expires when the earlier of
- 151 the following occurs:
- 152 (a) the covered financial institution reasonably determines that the wire transfer is not
- 153 financial exploitation; or
- 154 (b) 15 business days pass after the day on which the covered financial institution first
- 155 initiated the delay of the wire transfer.

156 Section 5. Section **13-57-202** is enacted to read:

157 **13-57-202. Office of the Attorney General website.**

158 The Office of the Attorney General shall post on the Office of the Attorney General's

159 website up-to-date information regarding financial scams, including:

- 160 (1) the most prominent and common characteristics of financial scams;
- 161 (2) current or trending financial scams;
- 162 (3) resources for a vulnerable adult who suspects a financial scam; and
- 163 (4) resources for an individual who suspects the financial exploitation of a vulnerable
- 164 adult.

165 Section 6. Section **13-57-301** is enacted to read:

166 **Part 3. Permitted Acts to Prevent Financial Exploitation of Vulnerable Adults**

167 **13-57-301. Delay of a transaction involving a vulnerable adult.**

168 (1) A covered financial institution may delay a transaction involving a vulnerable adult,

169 if:

- 170 (a) a qualified individual reasonably believes that executing the requested transaction
- 171 will result in financial exploitation of the vulnerable adult; or
- 172 (b) a law enforcement agency provides the covered financial institution information
- 173 demonstrating that it is reasonable to believe that financial exploitation of a vulnerable adult is
- 174 occurring, has or may have occurred, is being attempted, or has been or may have been
- 175 attempted.

176 (2) (a) A covered financial institution that delays a transaction in accordance with

177 Subsection (1):

- 178 (i) except as provided in Subsection (2)(b), shall no later than two business days after

179 the day on which the transaction is delayed, send notice of the delay and the reason for the
180 delay to each party:

181 (A) authorized to transact business on the account; and

182 (B) for which the covered financial institution has contact information;

183 (ii) may send notice of the delay, the reason for the delay, or any additional information
184 about the transaction to:

185 (A) a law enforcement agency; or

186 (B) Adult Protective Services.

187 (b) A covered financial institution may:

188 (i) decide not to provide notice to a party described in Subsection (2)(a)(i) if a qualified
189 individual reasonably believes the party has engaged in attempted financial exploitation of the
190 vulnerable adult; or

191 (ii) send a notice described in Subsection (2)(a) electronically.

192 (3) (a) Except as provided in Subsection (3)(b), the delay of a transaction described in
193 Subsection (1) expires when the earlier of the following occurs:

194 (i) the covered financial institution reasonably determines that the transaction will not
195 result in financial exploitation of a vulnerable adult; or

196 (ii) 15 business days pass after the day on which the covered financial institution first
197 initiated the delay of the transaction.

198 (b) (i) If a covered financial institution receives a request from a law enforcement
199 agency to extend the delay of a transaction beyond the expiration date established in Subsection
200 (3)(a), the covered financial institution may extend the delay no more than 25 business days
201 after the day on which the covered financial institution first initiated the delay.

202 (ii) A court of competent jurisdiction may enter an order:

203 (A) extending or shortening the delay of a transaction; or

204 (B) providing relief based on the petition of the covered financial institution, law
205 enforcement agency, or an interested party.

206 Section 7. Section **13-57-302** is enacted to read:

207 **13-57-302. Permitted notifications.**

208 (1) A covered financial institution may notify a law enforcement agency or Adult
209 Protective Services if a qualified individual believes that the financial exploitation of a

210 vulnerable adult is occurring, has or may have occurred, is being attempted, or has been or may
211 have been attempted.

212 (2) A covered financial institution may notify a third party associated with a vulnerable
213 adult if a qualified individual believes that the financial exploitation of the vulnerable adult is
214 occurring, has or may have occurred, is being attempted, or has been or may have been
215 attempted.

216 (3) A covered financial institution may choose not to notify a third party associated
217 with a vulnerable adult as described in Subsection (2), if a qualified individual reasonably
218 believes that the third party is, may be, or may have been engaged in the financial exploitation
219 of the vulnerable adult.

220 Section 8. Section **13-57-401** is enacted to read:

221 **Part 4. Immunity**

222 **13-57-401. Immunity.**

223 (1) A covered financial institution or a director, officer, employee, attorney,
224 accountant, agent, or other representative of the covered financial institution:

225 (a) has no duty to act under this chapter to protect a vulnerable adult from financial
226 exploitation by a third person; and

227 (b) is immune from all criminal, civil, and administrative liability for not taking a
228 permissive action under this chapter.

229 (2) A covered financial institution or a director, officer, employee, attorney,
230 accountant, agent, or other representative of the covered financial institution who chooses to
231 act as described in:

232 (a) Subsection [13-57-201](#)(2), is immune from all criminal, civil, and administrative
233 liability for the act, unless the act is done in bad faith; and

234 (b) Section [13-57-301](#) or [13-57-302](#), is immune from all criminal, civil, and
235 administrative liability for the act, unless the act:

236 (i) is done in bad faith; and

237 (ii) causes pecuniary loss to a vulnerable adult suspected of being a victim of financial
238 exploitation.

239 (3) The immunity described in this section does not extend to an individual that is a
240 principal, a conspirator, or an accessory after the fact to a criminal offense involving the

241 financial exploitation of a vulnerable adult.