

1-1 By: Meyer, et al. (Senate Sponsor - Zaffirini) H.B. No. 4238
1-2 (In the Senate - Received from the House April 30, 2025;
1-3 May 1, 2025, read first time and referred to Committee on Business
1-4 & Commerce; May 15, 2025, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 11, Nays 0;
1-6 May 15, 2025, sent to printer.)

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|------|----------------|-----|-----|--------|-----|
| 1-7 | COMMITTEE VOTE | | | | |
| 1-8 | | Yea | Nay | Absent | PNV |
| 1-9 | Schwertner | X | | | |
| 1-10 | King | X | | | |
| 1-11 | Blanco | X | | | |
| 1-12 | Campbell | X | | | |
| 1-13 | Creighton | X | | | |
| 1-14 | Johnson | X | | | |
| 1-15 | Kolkhorst | X | | | |
| 1-16 | Menéndez | X | | | |
| 1-17 | Middleton | X | | | |
| 1-18 | Nichols | X | | | |
| 1-19 | Zaffirini | X | | | |

1-20 COMMITTEE SUBSTITUTE FOR H.B. No. 4238 By: Zaffirini

1-21 A BILL TO BE ENTITLED
1-22 AN ACT

1-23 relating to the collection of consumer debt incurred by certain
1-24 individuals as a result of identity theft.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Subchapter D, Chapter 392, Finance Code, is
1-27 amended by adding Section 392.308 to read as follows:

1-28 Sec. 392.308. CONSUMER VICTIM OF IDENTITY THEFT. (a) In
1-29 this section, "identity theft" means:

1-30 (1) a violation of Section 521.051, Business &
1-31 Commerce Code, or a substantially similar federal law or law in
1-32 another state; or

1-33 (2) a criminal offense described by Section 32.51,
1-34 Penal Code, or a substantially similar federal law or law in another
1-35 state.

1-36 (b) This section does not apply to consumer debt that is a
1-37 home loan, as defined by Chapter 343, or to the collection of a
1-38 judgment already obtained.

1-39 (c) A creditor, debt collector, or third-party debt
1-40 collector may not attempt to collect a consumer debt or a portion of
1-41 a consumer debt from a consumer if the consumer provides a court
1-42 order issued under Section 521.103, Business & Commerce Code, or a
1-43 substantially similar federal law or law in another state,
1-44 declaring the consumer a victim of identity theft.

1-45 (d) A creditor, debt collector, or third-party debt
1-46 collector who receives notice that a consumer debt is a result of
1-47 identity theft from a victim of identity theft in accordance with
1-48 Subsection (c):

1-49 (1) shall, not later than the seventh business day
1-50 after the creditor, debt collector, or third-party debt collector
1-51 receives the notice, cease efforts to collect the disputed debt or
1-52 disputed portion of the debt from the victim of identity theft;

1-53 (2) shall send to each person who has previously
1-54 received a report relating to that debt from the creditor, debt
1-55 collector, or third-party debt collector notice that the debt is
1-56 disputed under this section and not collectible from the victim of
1-57 identity theft;

1-58 (3) may not sell the debt or transfer it for
1-59 consideration, except to collect the debt from the alleged
1-60 perpetrator of identity theft or from a responsible person other

than the victim of identity theft; and

(4) may, if the disputed debt or disputed portion of the debt is secured by tangible personal property, enforce the security interest under Chapter 9, Business & Commerce Code, but may not collect or seek to collect any deficiency from the victim of identity theft.

(e) A creditor, debt collector, or third-party debt collector has standing to bring and may bring an action to exercise any right, seek any remedy, or use any lawful means to collect a consumer debt or a portion of consumer debt that is disputed under this section from an alleged perpetrator of identity theft who by means of identity theft obtained, used, or possessed the money, goods, services, or property of the consumer who is a victim of the alleged perpetrator's identity theft.

SECTION 2. This Act takes effect September 1, 2025.

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