

## **BILL ANALYSIS**

Senate Research Center  
89R8216 CJD-F

S.B. 1498  
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Criminal Justice  
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### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

In Texas, civil asset forfeiture allows authorities to seize property—such as cash, vehicles, real estate, and other assets—connected to criminal activity. The goal is to disrupt illegal enterprises, particularly those involved in drug trafficking, fraud, money laundering, and organized crime.

With the rise of digital assets like cryptocurrencies, non-fungible tokens (NFTs), and stablecoins, financial transactions have become more complex, creating new challenges for law enforcement. These assets, often decentralized and difficult to track, can be used to facilitate crimes such as fraud and money laundering. Unlike traditional property, digital assets require specialized tools and procedures for identification, seizure, and management.

S.B. 1498 establishes clear guidelines to ensure that digital assets can be effectively seized, stored, and forfeited under Texas law. By modernizing asset forfeiture procedures, it helps law enforcement combat financial crimes involving digital currencies and emerging technologies, preventing criminals from exploiting legal loopholes.

As proposed, S.B. 1498 amends current law relating to civil asset forfeiture of digital currency or other similar property.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Article 59.01, Code of Criminal Procedure, by amending Subdivisions (2), (7), and (9) and adding Subdivision (3-a), to redefine "contraband," "proceeds," and "depository account" and define "digital currency" and to make nonsubstantive changes.

SECTION 2. Amends Article 59.023(a), Code of Criminal Procedure, as follows:

(a) Authorizes an attorney representing the state, on receiving an affidavit that identifies the amount of proceeds gained from the commission of an offense and that states probable cause that the proceeds are contraband subject to forfeiture, to file for a judgment in the amount of the proceeds in a district court in certain counties, including, if the property is a digital currency, non-fungible token, stablecoin, or wallet not connected to an exchange or network, the county in which the law enforcement agency that initiated the seizure of the property is located. Makes nonsubstantive changes.

SECTION 3. Amends Article 59.03(c), Code of Criminal Procedure, as follows:

(c) Provides that a peace officer who seizes property under Chapter 59 (Forfeiture of Contraband) has custody of the property, subject only to replevy under Article 59.02 (Forfeiture of Contraband) or an order of a court. Provides that, not later than 72 hours after the seizure, certain actions may occur, including if the property seized is a digital currency, non-fungible token, or stablecoin, the law enforcement agency employing the peace officer is required to transfer the property to a wallet that is not connected to an

exchange or network, and only accessible by the law enforcement agency or the attorney representing the state. Makes nonsubstantive changes.

SECTION 4. Amends Article 59.04(b), Code of Criminal Procedure, as follows:

(b) Provides that a forfeiture proceeding commences under this chapter when the attorney representing the state files a notice of the seizure and intended forfeiture in the name of the state with the clerk of the district court in the county in which the seizure is made or, if the property is a digital currency, non-fungible token, stablecoin, or wallet not connected to an exchange or network, in the county in which the law enforcement agency that initiated the seizure of the property is located. Requires the attorney representing the state to attach to the notice the peace officer's sworn statement under Article 59.03 (Seizure of Contraband) or, if the property has been seized under Article 59.12(b) (relating to authorizing a regulated financial institution, at the time a seizure warrant issued under Chapter 18 (Search Warrants) is served on this institution to perform certain actions), the statement of the terms and amount of the depository account or inventory of assets provided by the regulated financial institution to the peace officer executing the warrant in the manner described by Article 59.12(b). Makes a nonsubstantive change.

SECTION 5. Amends Article 59.12(b), Code of Criminal Procedure, as follows:

(b) Authorizes a regulated financial institution, at the time a seizure warrant issued under Chapter 18 is served on the institution, to perform certain actions, including transfer any digital currency, non-fungible token, or stablecoin held by the institution to a secure wallet that is not connected to an exchange or network and in the possession of a law enforcement agency or an attorney representing the state. Makes nonsubstantive changes.

SECTION 6. Makes application of this Act prospective.

SECTION 7. Effective date: September 1, 2025.