BILL ANALYSIS

Senate Research Center | S.B. 1499
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Criminal Justice
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Financial Crimes Intelligence Center (FCIC) was established in 2021 to combat the growing issue of card skimming, particularly at motor fuel devices (gas pumps). As financial crimes have surged in recent years, the FCIC's role has expanded significantly beyond its original purpose. The current statutory framework limits the FCIC's scope to card skimming, creating a need for legislative action to support its broader efforts in fighting financial and organized crime.

S.B. 1499 expands the statutory mission of the FCIC to include payment fraud, ensuring the center can continue its work against a broader range of financial crimes. The bill reflects the FCIC's increasing role in tackling various forms of payment fraud—including check fraud, unauthorized electronic fund transfers, and other fraudulent payment schemes.

S.B. 1499 amends current law relating to the operations of the Financial Crimes Intelligence Center.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas Commission of Licensing and Regulation is modified in SECTION 1 (Section 426.002, Occupations Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Transfers Chapter 2312, Occupations Code, to Subtitle B, Title 4, Government Code, redesignates it as Chapter 426, Government Code, and amends it, as follows:

CHAPTER 426. FINANCIAL CRIMES INTELLIGENCE CENTER

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 426.001. DEFINITIONS. Redesignates existing Section 2312.001 as Section 426.001. Defines "check fraud," "electronic fund transfer," "payment fraud," and "unauthorized payment order."

Sec. 426.002. RULES. Redesignates existing Section 2312.002 as Section 426.002 and makes no further changes.

SUBCHAPTER B. PURPOSE AND ADMINISTRATION

Sec. 426.051. FINANCIAL CRIMES INTELLIGENCE CENTER ESTABLISHED. Redesignates existing Section 2312.051 as Section 426.051 and makes no further changes.

Sec. 426.052. PURPOSES OF CENTER. Redesignates existing Section 2312.052 as Section 426.052. Provides that the purposes of the financial crimes intelligence center established under this chapter (center) include to serve as the state's primary entity for the planning, coordination, and integration of law enforcement agencies and other governmental agencies that respond to criminal activity related to payment fraud, rather than card fraud, including through the use of skimmers. Makes a conforming change.

Sec. 426.053. New heading: OPERATION AGREEMENTS AUTHORIZED; DIRECTOR. Redesignates existing Section 2312.053 as Section 426.053. (a) Requires the Texas Department of Licensing and Regulation (TDLR) to enter into an agreement with a law enforcement agency or other governmental agency for the appointment of a director, rather than a chief intelligence coordinator, to supervise and manage the operation of the center.

(b) Makes conforming changes to this subsection.

(c) Makes no changes to this subsection.

Sec. 426.054. POWERS AND DUTIES. Redesignates existing Section 2312.054 as Section 426.054. (a) Makes no changes to this subsection.

(b) Requires the center to assist law enforcement agencies, other governmental agencies, financial institutions, credit card issuers, debit card issuers, payment card networks, institutions of higher education, and merchants in their efforts to develop and implement strategies to take certain measures, including to prevent and respond to payment fraud. Deletes existing text requiring the center to assist certain entities in their efforts to develop and implement strategies to prevent card fraud. Makes nonsubstantive changes.

(c) Makes a conforming change to this subsection.

(d) Makes no changes to this subsection.

Sec. 426.055. ANNUAL REPORT. Redesignates existing Section 2312.055 as Section 426.055. Makes conforming changes.

SUBCHAPTER C. FINANCIAL PROVISIONS

Sec. 426.101. FUNDING. Redesignates existing Section 2312.101 as Section 426.101. Authorizes TDLR to solicit and accept gifts, grants, and other donations to fund, administer, and carry out the purposes of the center, except that TDLR is prohibited from soliciting or accepting a gift, grant, or other donation from a license holder as defined by Section 2310.151 (Definitions), Occupations Code.

Sec. 426.102. AWARD OF GRANTS. Redesignates existing Section 2312.102 as Section 426.102. Authorizes a grant recipient to use grant money for certain purposes, including to provide training opportunities regarding payment fraud and skimmers. Makes conforming changes.

SECTION 2. Requires TCLR, as soon as practicable after the effective date of this Act, to adopt rules necessary to implement the changes in law made by this Act to Chapter 426, Government Code, as transferred, redesignated, and amended by this Act.

SECTION 3. Effective date: September 1, 2025.