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S.B. No. 1491

A BILL TO BE ENTITLED

AN ACT

relating to the operations of the Financial Crimes Intelligence Center.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 2312, Occupations Code, is transferred to Subtitle B, Title 4, Government Code, redesignated as Chapter 426, Government Code, and amended to read as follows:

CHAPTER 426 [~~2312~~]. FINANCIAL CRIMES INTELLIGENCE CENTER

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 426.001 [~~2312.001~~]. DEFINITIONS. In this chapter:

(1) "Card fraud" means an act that constitutes the offense of fraudulent use or possession of a credit card or debit card under Section 32.315, Penal Code.

(2) "Center" means the financial crimes intelligence center established under this chapter.

(3) "Check fraud" means conduct that constitutes an offense under Section 32.21, Penal Code, with respect to a sight order, as defined by Section 1.07, Penal Code.

(4) [~~3~~] "Commission" means the Texas Commission of Licensing and Regulation.

(5) [~~4~~] "Department" means the Texas Department of Licensing and Regulation.

(6) "Electronic fund transfer" means any transfer of funds, other than a transaction originated by check, money order,

1 or similar paper instrument, that is initiated through an  
2 electronic terminal, telephonic instrument, computer, or magnetic  
3 tape and that orders, instructs, or authorizes a financial  
4 institution to debit or credit an account.

5 (7) "Motor fuel manipulation device" means a mechanism  
6 manufactured, assembled, or adapted to manipulate or alter a motor  
7 fuel metering device or a motor fuel unattended payment terminal  
8 for an unlawful purpose.

9 (8) "Motor fuel theft" means an act that:

10 (A) constitutes an offense under Section 31.03,  
11 Penal Code; and

12 (B) qualifies for an affirmative finding of motor  
13 fuel theft under Article 42.019, Code of Criminal Procedure.

14 (9) "Payment fraud" means:

15 (A) conduct constituting card fraud or check  
16 fraud;

17 (B) sending an unauthorized payment order;

18 (C) initiating an electronic fund transfer  
19 without the consent of the account holder; or

20 (D) any other act involving a fraudulent order  
21 for payment of money, as defined by commission rule.

22 (10) [~~5~~] "Skimmer" means an electronic, mechanical,  
23 or other device that may be used to unlawfully intercept electronic  
24 communications or data to perpetrate card fraud. The term includes  
25 a credit card shimmer.

26 (11) "Unauthorized payment order" means a payment  
27 order received by a receiving bank that is not:

1            (A) an authorized order of a customer identified  
2 as sender under Section 4A.202(a), Business & Commerce Code; or

3            (B) effective as an order of the customer under  
4 Section 4A.202(b) of that code.

5            Sec. 426.002 [~~2312.002~~].    RULES.    The commission shall  
6 adopt rules as necessary to implement this chapter.

7            SUBCHAPTER B. PURPOSE AND ADMINISTRATION

8            Sec. 426.051 [~~2312.051~~].    FINANCIAL CRIMES INTELLIGENCE  
9 CENTER ESTABLISHED.    The commission shall establish the center  
10 within the department.

11            Sec. 426.052 [~~2312.052~~].    PURPOSES OF CENTER.    The purposes  
12 of the center are to:

13            (1) serve as the state's primary entity for the  
14 planning, coordination, and integration of law enforcement  
15 agencies and other governmental agencies that respond to criminal  
16 activity related to motor fuel theft and payment [~~card~~] fraud,  
17 including through the use of skimmers; and

18            (2) maximize the ability of the department, law  
19 enforcement agencies, and other governmental agencies to detect,  
20 prevent, and respond to criminal activities related to motor fuel  
21 theft and payment [~~card~~] fraud.

22            Sec. 426.053 [~~2312.053~~].    OPERATION AGREEMENTS AUTHORIZED;  
23 DIRECTOR [~~CHIEF INTELLIGENCE COORDINATOR~~].    (a) The department:

24            (1) may enter into agreements with law enforcement  
25 agencies or other governmental agencies for the operation of the  
26 center; and

27            (2) shall enter into an agreement with a law

1 enforcement agency or other governmental agency for the appointment  
2 of a director [~~chief intelligence coordinator~~] to supervise and  
3 manage the operation of the center.

4 (b) The director [~~chief intelligence coordinator~~] appointed  
5 under the agreement required by Subsection (a)(2) may be a licensed  
6 peace officer. The agreement must provide that the commission of a  
7 director [~~chief intelligence coordinator~~] who is a licensed peace  
8 officer will be carried by the agency with which the department  
9 enters into the agreement under that subdivision.

10 (c) Information a law enforcement agency or other  
11 governmental agency collects and maintains under an agreement  
12 entered into with the department under this chapter is the  
13 intellectual property of the center. On termination of the  
14 agreement, the contracting agency shall transfer the information to  
15 the department in accordance with the terms of the agreement.

16 Sec. 426.054 [~~2312.054~~]. POWERS AND DUTIES. (a) The  
17 center may collaborate with federal, state, and local governmental  
18 agencies to accomplish the purposes of the center.

19 (b) The center shall assist law enforcement agencies, other  
20 governmental agencies, financial institutions, credit card  
21 issuers, debit card issuers, payment card networks, institutions of  
22 higher education, and merchants in their efforts to develop and  
23 implement strategies to:

24 (1) prevent and respond to motor fuel theft and  
25 payment fraud;

26 (2) detect skimmers and motor fuel manipulation  
27 devices; and

1           (3) [~~(2)~~] ensure an effective response if a skimmer or  
2 motor fuel manipulation device is found[~~, and~~  
3 [~~(3) prevent card fraud~~].

4           **(b-1)** On request of a law enforcement or other governmental  
5 agency, the center may provide assistance to that agency regarding  
6 any matter within the center's expertise.

7           (c) The center may:

8           (1) serve as a centralized collection point for  
9 information related to motor fuel theft and payment [~~card~~] fraud;

10           (2) provide training and educational opportunities to  
11 law enforcement;

12           (3) provide outreach to the public; and

13           (4) release information to affected financial  
14 institutions, credit card issuers, debit card issuers, payment card  
15 networks, institutions of higher education, and merchants if the  
16 center does not consider the information to be sensitive to law  
17 enforcement.

18           (d) For purposes of Subsection (c)(4), information is  
19 considered sensitive to law enforcement if the information could  
20 cause harm to law enforcement activities or jeopardize an  
21 investigation or operation if disclosed.

22           Sec. 426.055 [~~2312.055~~]. ANNUAL REPORT. (a) Not later  
23 than December 1 of each year, the director [~~chief intelligence~~  
24 ~~coordinator~~] shall file a report with the department.

25           (b) The report must include:

26           (1) a plan of operation for the center and an estimate  
27 of the amount of money necessary to implement that plan;

1 (2) an assessment of the current state of motor fuel  
2 theft and payment [~~card~~] fraud in this state, including:

3 (A) an identification of the geographic  
4 locations in this state that have the highest statistical  
5 probability for motor fuel theft and payment [~~card~~] fraud; and

6 (B) a summary of motor fuel theft and payment  
7 [~~card~~] fraud statistics for the year in which the report is filed;

8 (3) a detailed plan of operation for combatting motor  
9 fuel theft and payment [~~card~~] fraud;

10 (4) a communications plan for outreach to law  
11 enforcement agencies, financial institutions, credit card issuers,  
12 debit card issuers, payment card networks, merchants, and the  
13 public; and

14 (5) a list of expenditures made since the most recent  
15 report was filed with the department.

16 SUBCHAPTER C. FINANCIAL PROVISIONS

17 Sec. 426.101 [~~2312.101~~]. FUNDING. The department may  
18 solicit and accept gifts, grants, and other donations to fund,  
19 administer, and carry out the purposes of the center, except that  
20 the department may not solicit or accept a gift, grant, or other  
21 donation from a license holder as defined by Section 2310.151,  
22 Occupations Code.

23 Sec. 426.102 [~~2312.102~~]. AWARD OF GRANTS. (a) Subject to  
24 the availability of appropriated money, the department may award  
25 grants for the purposes of this chapter by entering into a contract  
26 with each grant recipient.

27 (b) A grant recipient may use grant money to:

- 1 (1) reduce payment [~~card~~] fraud by removing skimmers;
- 2 (2) purchase or upgrade payment fraud deterrence  
3 equipment, including unique locking systems, cameras, and lights;
- 4 (3) provide training opportunities regarding payment  
5 fraud and skimmers; and
- 6 (4) conduct public outreach regarding motor fuel theft  
7 and payment [~~card~~] fraud.

8 SECTION 2. As soon as practicable after the effective date  
9 of this Act, the Texas Commission of Licensing and Regulation shall  
10 adopt rules necessary to implement the changes in law made by this  
11 Act to Chapter 426, Government Code, as transferred, redesignated,  
12 and amended by this Act.

13 SECTION 3. This Act takes effect September 1, 2025.