

1-1 By: Nichols S.B. No. 1498
1-2 (In the Senate - Filed February 20, 2025; March 6, 2025,
1-3 read first time and referred to Committee on Criminal Justice;
1-4 March 13, 2025, reported favorably by the following vote: Yeas 7,
1-5 Nays 0; March 13, 2025, sent to printer.)

1-6	COMMITTEE VOTE				
1-7		Yea	Nay	Absent	PNV
1-8	Flores	X			
1-9	Parker	X			
1-10	Hagenbuch	X			
1-11	Hinojosa of Hidalgo	X			
1-12	Huffman	X			
1-13	King	X			
1-14	Miles	X			

1-15 A BILL TO BE ENTITLED
1-16 AN ACT

1-17 relating to civil asset forfeiture of digital currency or other
1-18 similar property.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-20 SECTION 1. Article 59.01, Code of Criminal Procedure, is
1-21 amended by amending Subdivisions (2), (7), and (9) and adding
1-22 Subdivision (3-a) to read as follows:

1-23 (2) "Contraband" means property of any nature,
1-24 including real, personal, tangible, or intangible, including a
1-25 digital currency, non-fungible token, or stablecoin, that is:

1-26 (A) used in the commission of:

1-27 (i) any first or second degree felony under
1-28 the Penal Code;

1-29 (ii) any felony under Section 15.031(b),
1-30 21.11, or 38.04 or Chapter 29, 30, 31, 32, 33, 33A, or 35, Penal
1-31 Code;

1-32 (iii) any felony under Chapter 43, Penal
1-33 Code, except as provided by Paragraph (B);

1-34 (iv) any felony under The Securities Act
1-35 (Title 12, Government Code); or

1-36 (v) any offense under Chapter 49, Penal
1-37 Code, that is punishable as a felony of the third degree or state
1-38 jail felony, if the defendant has been previously convicted three
1-39 times of an offense under that chapter;

1-40 (B) used or intended to be used in the commission
1-41 of:

1-42 (i) any felony under Chapter 481, Health
1-43 and Safety Code (Texas Controlled Substances Act);

1-44 (ii) any felony under Chapter 483, Health
1-45 and Safety Code;

1-46 (iii) a felony under Chapter 152, Finance
1-47 Code;

1-48 (iv) any felony under Chapter 20A or 34,
1-49 Penal Code;

1-50 (v) a Class A misdemeanor under Subchapter
1-51 B, Chapter 365, Health and Safety Code, if the defendant has been
1-52 previously convicted twice of an offense under that subchapter;

1-53 (vi) any felony under Chapter 32, Human
1-54 Resources Code, or Chapter 31, 32, 35A, or 37, Penal Code, that
1-55 involves a health care program, as defined by Section 35A.01, Penal
1-56 Code;

1-57 (vii) a Class B misdemeanor under Chapter
1-58 522, Business & Commerce Code;

1-59 (viii) a Class A misdemeanor under Section
1-60 306.051, Business & Commerce Code;

1-61 (ix) any offense under Section 42.10, Penal

2-1 Code;
 2-2 (x) any offense under Section 46.06(a)(1)
 2-3 or 46.14, Penal Code;
 2-4 (xi) any offense under Chapter 71, Penal
 2-5 Code;
 2-6 (xii) any offense under Section 20.05,
 2-7 20.06, 20.07, 43.04, or 43.05, Penal Code;
 2-8 (xiii) an offense under Section 326.002,
 2-9 Business & Commerce Code;
 2-10 (xiv) any offense under Section 545.420,
 2-11 Transportation Code; or
 2-12 (xv) any offense punishable under Section
 2-13 42.03(d) or (e), Penal Code;
 2-14 (C) the proceeds gained from the commission of a
 2-15 felony listed in Paragraph (A) or (B) of this subdivision, a
 2-16 misdemeanor listed in Paragraph (B)(vii), (ix), (x), (xi), (xii),
 2-17 (xiv), or (xv) of this subdivision, or a crime of violence;
 2-18 (D) acquired with proceeds gained from the
 2-19 commission of a felony listed in Paragraph (A) or (B) of this
 2-20 subdivision, a misdemeanor listed in Paragraph (B)(vii), (ix), (x),
 2-21 (xi), (xii), (xiv), or (xv) of this subdivision, or a crime of
 2-22 violence;
 2-23 (E) used to facilitate or intended to be used to
 2-24 facilitate the commission of a felony under Section 15.031 or
 2-25 Chapter 43, Penal Code; or
 2-26 (F) used to facilitate or intended to be used to
 2-27 facilitate the commission of an offense under Section 20.05, 20.06,
 2-28 or 20.07 or Chapter 20A, Penal Code.
 2-29 (3-a) "Digital currency" means a digital
 2-30 representation of value recorded on a cryptographically secured
 2-31 distributed ledger, including blockchain, or similar technology.
 2-32 (7) "Proceeds" includes:
 2-33 (A) income a person accused or convicted of a
 2-34 crime or the person's representative or assignee receives from:
 2-35 (i) ~~[(A)]~~ a movie, book, magazine article,
 2-36 tape recording, phonographic record, radio or television
 2-37 presentation, telephone service, electronic media format,
 2-38 including an Internet website, or live entertainment in which the
 2-39 crime was reenacted; or
 2-40 (ii) ~~[(B)]~~ the sale of tangible property
 2-41 the value of which is increased by the notoriety gained from the
 2-42 conviction of an offense by the person accused or convicted of the
 2-43 crime; or
 2-44 (B) with respect to digital currency gained from
 2-45 the commission of an offense, any increase in value of the digital
 2-46 currency between the date of acquisition and the forfeiture of the
 2-47 digital currency.
 2-48 (9) "Depository account" means the obligation of a
 2-49 regulated financial institution to pay the account owner under a
 2-50 written agreement, including a checking account, savings account,
 2-51 money market account, time deposit, NOW account, ~~[or]~~ certificate
 2-52 of deposit, or digital currency wallet, regardless of whether the
 2-53 wallet is connected to an exchange or network.
 2-54 SECTION 2. Article 59.023(a), Code of Criminal Procedure,
 2-55 is amended to read as follows:
 2-56 (a) A peace officer who identifies proceeds that are gained
 2-57 from the commission of an offense listed in Article 59.01(2)(A) or
 2-58 (B) shall provide the attorney representing the state with an
 2-59 affidavit that identifies the amount of the proceeds and that
 2-60 states probable cause that the proceeds are contraband subject to
 2-61 forfeiture. On receiving the affidavit, the attorney representing
 2-62 the state may file for a judgment in the amount of the proceeds in a
 2-63 district court in:
 2-64 (1) the county in which the proceeds were gained;
 2-65 (2) the county in which any owner or possessor of the
 2-66 property was prosecuted for an underlying offense for which the
 2-67 property is subject to forfeiture;
 2-68 (3) the county in which venue existed for prosecution
 2-69 of an underlying offense for which the property is subject to

forfeiture;

(4) the county in which the proceeds were seized; ~~or~~

(5) 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; or

(6) Travis County.

SECTION 3. Article 59.03(c), Code of Criminal Procedure, is amended to read as follows:

(c) A peace officer who seizes property under this chapter has custody of the property, subject only to replevy under Article 59.02 ~~[of this code]~~ or an order of a court. A peace officer who has custody of property shall provide the attorney representing the state with a sworn statement that contains a schedule of the property seized, an acknowledgment that the officer has seized the property, and a list of the officer's reasons for the seizure. Not later than 72 hours after the seizure:

(1) ~~the~~ the peace officer shall:

(A) ~~place~~ place the property under seal;

(B) ~~remove~~ remove the property to a place ordered by the court; or

(C) ~~require~~ require a law enforcement agency of the state or a political subdivision to take custody of the property and move it to a proper location; or

(2) if the property seized is a digital currency, non-fungible token, or stablecoin, the law enforcement agency employing the peace officer shall transfer the property to a wallet that is:

(A) not connected to an exchange or network; and

(B) only accessible by the law enforcement agency or the attorney representing the state.

SECTION 4. Article 59.04(b), Code of Criminal Procedure, is amended to read as follows:

(b) 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. The attorney representing the state must attach to the notice the peace officer's sworn statement under Article 59.03 ~~[of this code]~~ or, if the property has been seized under Article 59.12(b), 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). Except as provided by Subsection (c) of this article, the attorney representing the state shall cause certified copies of the notice to be served on the following persons in the same manner as provided for the service of process by citation in civil cases:

(1) the owner of the property; and

(2) any interest holder in the property.

SECTION 5. Article 59.12(b), Code of Criminal Procedure, is amended to read as follows:

(b) A regulated financial institution, at the time a seizure warrant issued under Chapter 18 is served on the institution, may either:

(1) pay an account or tender assets held as security for an obligation owed to the institution at the time of the service of the seizure warrant; ~~or~~

(2) transfer the depository account or assets to a segregated interest-bearing account in the name of the attorney representing the state as trustee, to remain in the account until the time has expired for an appeal from a decision of the court relating to the forfeiture of accounts or assets under Article 59.05; or

(3) transfer any digital currency, non-fungible token, or stablecoin held by the institution to a secure wallet that

