

1-1 By: Hinojosa of Hidalgo, Hinojosa of Nueces S.B. No. 2949  
1-2 (In the Senate - Filed March 14, 2025; March 27, 2025, read  
1-3 first time and referred to Committee on Border Security;  
1-4 April 14, 2025, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 4, Nays 1; April 14, 2025,  
1-6 sent to printer.)

1-7	COMMITTEE VOTE				
1-8		Yea	Nay	Absent	PNV
1-9	Birdwell	X			
1-10	Flores	X			
1-11	Eckhardt		X		
1-12	Hinojosa of Nueces	X			
1-13	Hinojosa of Hidalgo	X			

1-14 COMMITTEE SUBSTITUTE FOR S.B. No. 2949 By: Hinojosa of Hidalgo  
1-15 A BILL TO BE ENTITLED  
1-16 AN ACT

1-17 relating to certain regulations involving motor fuels or other  
1-18 hazardous materials, including the transportation of motor fuels  
1-19 and other hazardous materials and restrictions on certain motor  
1-20 fuel depots; creating criminal offenses; authorizing a civil  
1-21 penalty.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 ARTICLE 1. MOTOR FUEL TRANSPORTATION

1-24 SECTION 1.01. Section 162.001(23), Tax Code, is amended to  
1-25 read as follows:

1-26 (23) "Export" means to transfer ~~[obtain]~~ motor fuel in  
1-27 this state for sale or use in another state, territory, or foreign  
1-28 country, whether by delivery from this state to another state  
1-29 within the United States or by direct delivery to a foreign country,  
1-30 without altering the content of the load by volume or composition.

1-31 SECTION 1.02. Sections 162.004(b) and (e), Tax Code, are  
1-32 amended to read as follows:

1-33 (b) A shipping document shall contain the following  
1-34 information and any other information required by the comptroller:

1-35 (1) the terminal control number of the terminal or  
1-36 physical address of the terminal or bulk plant from which the motor  
1-37 fuel was received;

1-38 (2) the name of the purchaser;

1-39 (3) the date the motor fuel was loaded;

1-40 (4) the net gallons loaded, or the gross gallons  
1-41 loaded if the fuel was purchased from a bulk plant;

1-42 (5) the destination state of the motor fuel, as  
1-43 represented by the purchaser of the motor fuel or the purchaser's  
1-44 agent; ~~[and]~~

1-45 (6) a description of the product being transported;

1-46 (7) the name and taxpayer number of the transportation  
1-47 company; and

1-48 (8) the name of the operator of the barge, vessel,  
1-49 railroad tank car, or transport vehicle into which the motor fuel  
1-50 was loaded.

1-51 (e) A person to whom a shipping document was issued shall:

1-52 (1) carry the shipping document in the barge, vessel,  
1-53 railroad tank car, or other transport vehicle for which the  
1-54 document was issued when transporting the motor fuel described in  
1-55 the document;

1-56 (2) show the shipping document on request to any law  
1-57 enforcement officer, representative of the comptroller, or other  
1-58 authorized individual, when transporting the motor fuel described;

1-59 (3) directly deliver the motor fuel to the destination  
1-60 state printed on the shipping document unless the person:

(A) notifies the comptroller and the destination state, if a diversion program is in place, before transporting the motor fuel into a state other than the printed destination state, that the person has received instructions after the shipping document was issued to deliver the motor fuel to a different destination state;

(B) receives from the comptroller and destination state, if a diversion program is in place, a diversion number authorizing the diversion; and

(C) writes on the shipping document the change in destination state and the diversion number; and

(4) give a copy of the shipping document to the person to whom the motor fuel is delivered.

SECTION 1.03. Section 162.006, Tax Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) The comptroller may suspend a motor fuel transporter's license without notice or a hearing if the license holder fails to ensure that all employees or independent contractors who transport motor fuel under the transporter's license hold the specific license or endorsements required to transport hazardous materials required by the state, territory, or country in which the employee or independent contractor resides.

SECTION 1.04. Section 162.104(a), Tax Code, is amended to read as follows:

(a) The tax imposed by this subchapter does not apply to gasoline:

(1) sold to the United States for its exclusive use, provided that the exemption does not apply with respect to fuel sold or delivered to a person operating under a contract with the United States;

(2) sold to a public school district in this state for the district's exclusive use;

(3) sold to a commercial transportation company or a metropolitan rapid transit authority operating under Chapter 451, Transportation Code, that provides public school transportation services to a school district under Section 34.008, Education Code, and that uses the gasoline only to provide those services;

(4) exported by either a licensed supplier or a licensed exporter from this state to any other state within the United States, provided that the bill of lading indicates the destination state and the supplier collects the destination state tax;

(5) moved by truck or railcar between licensed suppliers or licensed permissive suppliers and in which the gasoline removed from the first terminal comes to rest in the second terminal, provided that the removal from the second terminal rack is subject to the tax imposed by this subchapter;

(6) delivered or sold into a storage facility of a licensed aviation fuel dealer from which gasoline will be delivered solely into the fuel supply tanks of aircraft or aircraft servicing equipment, or sold from one licensed aviation fuel dealer to another licensed aviation fuel dealer who will deliver the aviation fuel exclusively into the fuel supply tanks of aircraft or aircraft servicing equipment;

(7) directly exported to a foreign country without altering the content of the load by volume or composition if the bill of lading or shipping documents indicate the foreign destination and the fuel is actually exported to the foreign country;

(8) sold to a volunteer fire department in this state for the department's exclusive use;

(9) sold to a nonprofit entity that is organized for the sole purpose of and engages exclusively in providing emergency medical services and that uses the gasoline exclusively to provide emergency medical services, including rescue and ambulance services; or

(10) sold to a nonprofit food bank and delivered into:  
(A) the fuel supply tank of a motor vehicle with a gross vehicle weight rating of at least 25,000 pounds that is owned

by the nonprofit food bank and used to deliver food; or

(B) a storage facility from which gasoline will be delivered solely into the fuel supply tanks of motor vehicles described by Paragraph (A).

SECTION 1.05. Section 162.108(e), Tax Code, is amended to read as follows:

(e) An applicant for a license as a motor fuel transporter must list on the application each state from which and to which the applicant intends to transport motor fuel and, if required by a listed state, must be licensed or registered for gasoline tax purposes in that state. If a listed state requires the applicant to be licensed or registered, the applicant must provide the applicant's license or registration number from that state. The applicant must attest that any employee or independent contractor who transports motor fuel under the applicant's license will hold the specific license or endorsements required to transport hazardous materials required by the state, territory, or country in which the employee or independent contractor resides.

SECTION 1.06. Sections 162.110(a) and (c), Tax Code, are amended to read as follows:

(a) The license issued to a supplier, permissive supplier, distributor, importer, exporter, terminal operator, or blender~~[or motor fuel transporter]~~ is permanent and is valid during the period the license holder has in force and effect the required bond or security and furnishes timely reports and supplements as required, or until the license is surrendered by the holder or canceled by the comptroller. The comptroller shall cancel a license under this subsection if a purchase, sale, or use of gasoline has not been reported by the license holder during the previous nine months.

(c) The license issued to an interstate trucker or motor fuel transporter is valid from the date of its issuance through December 31 of each calendar year or until the license is surrendered by the holder or canceled by the comptroller. The comptroller may renew the license for each ensuing calendar year if the license holder furnishes timely reports as required.

SECTION 1.07. Section 162.1155, Tax Code, is amended by adding Subsections (e) and (f) to read as follows:

(e) A person required to report a transaction under Subsection (a) is not required to directly transport the exported gasoline if:

(1) the gasoline is ultimately exported to another state or territory of the United States or by direct delivery to a foreign country without altering the content of the load by volume or composition;

(2) the transaction is conducted between persons licensed as exporters under this chapter and is reported to the comptroller with documentation identifying:

(A) the location and nature of any intermediate transfer or transloading activity; and

(B) the identity of the transporter, receiver, and final destination within the United States, if applicable; and

(3) the transaction does not involve any of the following prohibited conduct:

(A) the use of an unregistered or unpermitted motor fuel depot, including any facility used for the transloading of motor fuel into overweight vehicles for export to a foreign country;

(B) the transfer of gasoline using a vehicle that exceeds legal weight limits without a valid corridor or overweight permit;

(C) the transportation of hazardous materials by a person who does not have the required licenses or endorsements; and

(D) the use of false, misleading, or incomplete documentation regarding the gasoline's destination, transporter, or ownership.

(f) Nothing in Subsection (e) shall be construed to authorize the in-state diversion, storage, or resale of gasoline

under a claimed export exemption unless:

(1) the gasoline is ultimately exported to another state or territory of the United States or delivered directly to a foreign country without altering the content of the load by volume or composition; and

(2) all transactions involving the gasoline are reported in compliance with this chapter.

SECTION 1.08. Section 162.204(a), Tax Code, is amended to read as follows:

(a) The tax imposed by this subchapter does not apply to:

(1) diesel fuel sold to the United States for its exclusive use, provided that the exemption does not apply to diesel fuel sold or delivered to a person operating under a contract with the United States;

(2) diesel fuel sold to a public school district in this state for the district's exclusive use;

(3) diesel fuel sold to a commercial transportation company or a metropolitan rapid transit authority operating under Chapter 451, Transportation Code, that provides public school transportation services to a school district under Section 34.008, Education Code, and that uses the diesel fuel only to provide those services;

(4) diesel fuel exported by either a licensed supplier or a licensed exporter from this state to any other state within the United States, provided that the bill of lading indicates the destination state and the supplier collects the destination state tax;

(5) diesel fuel moved by truck or railcar between licensed suppliers or licensed permissive suppliers and in which the diesel fuel removed from the first terminal comes to rest in the second terminal, provided that the removal from the second terminal rack is subject to the tax imposed by this subchapter;

(6) diesel fuel delivered or sold into a storage facility of a licensed aviation fuel dealer from which the diesel fuel will be delivered solely into the fuel supply tanks of aircraft or aircraft servicing equipment, or sold from one licensed aviation fuel dealer to another licensed aviation fuel dealer who will deliver the diesel fuel exclusively into the fuel supply tanks of aircraft or aircraft servicing equipment;

(7) diesel fuel directly exported to a foreign country without altering the content of the load by volume or composition if the bill of lading or shipping documents indicate the foreign destination and the fuel is actually exported to the foreign country;

(8) dyed diesel fuel sold or delivered by a supplier to another supplier and dyed diesel fuel sold or delivered by a supplier or distributor into the bulk storage facility of a dyed diesel fuel bonded user or to a purchaser who provides a signed statement as provided by Section 162.206;

(9) the volume of water, fuel ethanol, renewable diesel, biodiesel, or mixtures thereof that are blended together with taxable diesel fuel when the finished product sold or used is clearly identified on the retail pump, storage tank, and sales invoice as a combination of diesel fuel and water, fuel ethanol, renewable diesel, biodiesel, or mixtures thereof;

(10) dyed diesel fuel sold by a supplier or permissive supplier to a distributor, or by a distributor to another distributor;

(11) dyed diesel fuel delivered by a license holder into the fuel supply tanks of railway engines, motorboats, or refrigeration units or other stationary equipment powered by a separate motor from a separate fuel supply tank;

(12) dyed kerosene when delivered by a supplier, distributor, or importer into a storage facility at a retail business from which all deliveries are exclusively for heating, cooking, lighting, or similar nonhighway use;

(13) diesel fuel used by a person, other than a political subdivision, who owns, controls, operates, or manages a commercial motor vehicle as defined by Section 548.001,



Transportation Code, if the fuel:

(A) is delivered exclusively into the fuel supply tank of the commercial motor vehicle; and

(B) is used exclusively to transport passengers for compensation or hire between points in this state on a fixed route or schedule;

(14) diesel fuel sold to a volunteer fire department in this state for the department's exclusive use;

(15) diesel fuel sold to a nonprofit entity that is organized for the sole purpose of and engages exclusively in providing emergency medical services and that uses the diesel fuel exclusively to provide emergency medical services, including rescue and ambulance services; or

(16) diesel fuel sold to a nonprofit food bank and delivered into:

(A) the fuel supply tank of a motor vehicle with a gross vehicle weight rating of at least 25,000 pounds that is owned by the nonprofit food bank and used to deliver food; or

(B) a storage facility from which diesel fuel will be delivered solely into the fuel supply tanks of motor vehicles described by Paragraph (A).

SECTION 1.09. Section 162.209(e), Tax Code, is amended to read as follows:

(e) An applicant for a license as a motor fuel transporter must list on the application each state from which and to which the applicant intends to transport motor fuel and, if required by a listed state, must be licensed or registered for diesel fuel tax purposes in that state. If a listed state requires the applicant to be licensed or registered, the applicant must provide the applicant's license or registration number from that state. The applicant must attest that any employee or independent contractor who transports motor fuel under the applicant's license will hold the specific license or endorsements required to transport hazardous materials required by the state, territory, or country in which the employee or independent contractor resides.

SECTION 1.10. Sections 162.211(a) and (c), Tax Code, are amended to read as follows:

(a) The license issued to a supplier, permissive supplier, distributor, importer, terminal supplier, exporter, blender, ~~[motor fuel transporter]~~ or dyed diesel fuel bonded user is permanent and is valid during the period the license holder has in force and effect the required bond or security and furnishes timely reports and supplements as required, or until the license is surrendered by the holder or canceled by the comptroller. The comptroller shall cancel a license under this subsection if a purchase, sale, or use of diesel fuel has not been reported by the license holder during the previous nine months.

(c) The license issued to an interstate trucker or motor fuel transporter is valid from the date of its issuance through December 31 of each calendar year or until the license is surrendered by the holder or canceled by the comptroller. The comptroller may renew the license for each ensuing calendar year if the license holder furnishes timely reports as required.

SECTION 1.11. Section 162.2165, Tax Code, is amended by adding Subsections (e) and (f) to read as follows:

(e) A person required to report a transaction under Subsection (a) is not required to directly transport the exported diesel fuel if:

(1) the diesel fuel is ultimately exported to another state or territory of the United States or by direct delivery to a foreign country without altering the content of the load by volume or composition;

(2) the transaction is conducted between persons licensed as exporters under this chapter and is reported to the comptroller with documentation identifying:

(A) the location and nature of any intermediate transfer or transloading activity; and

(B) the identity of the transporter, receiver, and final destination within the United States, if applicable; and

(3) the transaction does not involve any of the following prohibited conduct:

(A) the use of an unregistered or unpermitted motor fuel depot, including any facility used for the transloading of motor fuel into overweight vehicles for export to a foreign country;

(B) the transfer of diesel fuel using a vehicle that exceeds legal weight limits without a valid corridor or overweight permit;

(C) the transportation of hazardous materials by a person who lacks required licenses or endorsements; and

(D) the use of false, misleading, or incomplete documentation regarding the diesel fuel's destination, transporter, or ownership.

(f) Nothing in Subsection (e) shall be construed to authorize the in-state diversion, storage, or resale of diesel fuel under a claimed export exemption unless:

(1) the diesel fuel is ultimately exported to another state or territory of the United States or delivered directly to a foreign country without altering the content of the load by volume or composition; and

(2) all transactions involving the diesel fuel are reported in compliance with this chapter.

SECTION 1.12. Section 162.402, Tax Code, is amended by adding Subsection (f) to read as follows:

(f) A motor fuel transporter who fails to ensure that an employee or independent contractor who transports motor fuel under the transporter's license holds the specific license or endorsements required to transport hazardous materials required by the state, territory, or country in which the employee or independent contractor resides is liable to this state for a civil penalty in the amount of \$25,000 for each occurrence.

SECTION 1.13. Section 162.403, Tax Code, is amended to read as follows:

Sec. 162.403. CRIMINAL OFFENSES. Except as provided by Section 162.404, a person commits an offense if the person:

(1) refuses to stop and permit the inspection and examination of a motor vehicle transporting or using motor fuel on the demand of a peace officer or the comptroller;

(2) is required to hold a valid trip permit or interstate trucker's license, but operates a motor vehicle in this state without a valid trip permit or interstate trucker's license;

(3) transports gasoline or diesel fuel in any cargo tank that has a connection by pipe, tube, valve, or otherwise with the fuel injector or carburetor or with the fuel supply tank feeding the fuel injector or carburetor of the motor vehicle transporting the product;

(4) sells or delivers gasoline or diesel fuel from a fuel supply tank that is connected with the fuel injector or carburetor of a motor vehicle;

(5) owns or operates a motor vehicle for which reports or mileage records are required by this chapter without an operating odometer or other device in good working condition to record accurately the miles traveled;

(6) sells or delivers dyed diesel fuel for the operation of a motor vehicle on a public highway;

(7) uses dyed diesel fuel for the operation of a motor vehicle on a public highway except as allowed under Section 162.235;

(8) refuses to permit the comptroller or the attorney general to inspect, examine, or audit a book or record required to be kept by a license holder, other user, or any person required to hold a license under this chapter;

(9) refuses to permit the comptroller or the attorney general to inspect or examine any plant, equipment, materials, or premises where motor fuel is produced, processed, blended, stored, sold, delivered, or used;

(10) refuses to permit the comptroller, the attorney general, an employee of either of those officials, a peace officer,

an employee of the Texas Commission on Environmental Quality, or an employee of the Texas Department of Licensing and Regulation to measure or gauge the contents of or take samples from a storage tank or container on premises where motor fuel is produced, processed, blended, stored, sold, delivered, or used;

(11) is a license holder, a person required to be licensed, or another user and fails or refuses to make or deliver to the comptroller a report required by this chapter to be made and delivered to the comptroller;

(12) is an importer who does not obtain an import verification number when required by this chapter;

(13) purchases motor fuel for export, on which the tax imposed by this chapter has not been paid, and subsequently diverts or causes the motor fuel to be diverted to a destination in this state or any other state or country other than the originally designated state or country without first obtaining a diversion number;

(14) conceals motor fuel with the intent of engaging in any conduct proscribed by this chapter or refuses to make sales of motor fuel on the volume-corrected basis prescribed by this chapter;

(15) refuses, while transporting motor fuel, to stop the motor vehicle the person is operating when called on to do so by a person authorized to stop the motor vehicle;

(16) refuses to surrender a motor vehicle and cargo for impoundment after being ordered to do so by a person authorized to impound the motor vehicle and cargo;

(17) mutilates, destroys, or secretes a book or record required by this chapter to be kept by a license holder, other user, or person required to hold a license under this chapter;

(18) is a license holder, other user, or other person required to hold a license under this chapter, or the agent or employee of one of those persons, and makes a false entry or fails to make an entry in the books and records required under this chapter to be made by the person or fails to retain a document as required by this chapter;

(19) transports in any manner motor fuel under a false cargo manifest or shipping document, or transports in any manner motor fuel to a location without delivering at the same time a shipping document relating to that shipment;

(20) engages in a motor fuel transaction that requires that the person have a license under this chapter without then and there holding the required license;

(21) makes and delivers or causes to be made and delivered to the comptroller a report or application required under this chapter to be made and delivered to the comptroller, if the report or application contains false information;

(22) forges, falsifies, or alters an invoice or shipping document prescribed by law;

(23) makes any statement, knowing said statement to be false, in a claim for a tax refund filed with the comptroller;

(24) furnishes to a licensed supplier or distributor a signed statement for purchasing diesel fuel tax-free and then uses the tax-free diesel fuel to operate a diesel-powered motor vehicle on a public highway;

(25) holds an aviation fuel dealer's license and makes a taxable sale or use of any gasoline or diesel fuel;

(26) fails to remit any tax funds collected or required to be collected by a license holder, another user, or any other person required to hold a license under this chapter;

(27) makes a sale of dyed diesel fuel tax-free into a storage facility of a person who:

(A) is not licensed as a distributor, as an aviation fuel dealer, or as a dyed diesel fuel bonded user; or

(B) does not furnish to the licensed supplier or distributor a signed statement prescribed in Section 162.206;

(28) makes a sale of gasoline tax-free to any person who is not licensed as an aviation fuel dealer;

(29) purchases any motor fuel tax-free when not

authorized to make a tax-free purchase under this chapter;

(30) purchases motor fuel with the intent to evade any tax imposed by this chapter or accepts a delivery of motor fuel by any means and does not at the same time accept or receive a shipping document relating to the delivery;

(31) transports motor fuel without ~~[for which]~~ a cargo manifest or shipping document or presents to a peace officer a shipping document the contents of which are inconsistent with the volume and content of the motor fuel being transported ~~[is required to be carried without possessing or exhibiting on demand by an officer authorized to make the demand a cargo manifest or shipping document containing the information required to be shown on the manifest or shipping document]~~;

(32) imports, sells, uses, blends, distributes, or stores motor fuel within this state on which the taxes imposed by this chapter are owed but have not been first paid to or reported by a license holder, another user, or any other person required to hold a license under this chapter;

(33) blends products together to produce a blended fuel that is offered for sale, sold, or used and that expands the volume of the original product to evade paying applicable motor fuel taxes;

(34) evades or attempts to evade in any manner a tax imposed on motor fuel by this chapter;

(35) delivers compressed natural gas or liquefied natural gas into the fuel supply tank of a motor vehicle and the person does not hold a valid compressed natural gas and liquefied natural gas dealer's license; or

(36) makes a tax-free delivery of compressed natural gas or liquefied natural gas into the fuel supply tank of a motor vehicle, unless the delivery is exempt from tax under Section 162.356.

SECTION 1.14. The changes in law made by this article apply only to an offense committed on or after the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

SECTION 1.15. Sections 162.108, 162.110, 162.209, and 162.211, Tax Code, as amended by this article, apply to a license issued to a motor fuel transporter, regardless of whether the license was issued before, on, or after the effective date of this Act.

## ARTICLE 2. MOTOR FUEL DEPOTS

### SECTION 2.01. The legislature finds that:

(1) the concentration of unregulated and lightly regulated motor fuel depots near international ports of entry and border crossings poses a growing threat to public safety, tax enforcement, environmental protection, and the uninterrupted flow of lawful trade;

(2) the Senate Committee on Border Security Interim Report to the 89th Legislature documents patterns of misuse at motor fuel depots located near the Texas-Mexico border, including conduct that may:

(A) exploit exemptions for tax-free motor fuel through fraudulent flash title sales;

(B) facilitate the cross-border movement of untaxed or unaccounted-for motor fuel;

(C) bypass inspection and enforcement mechanisms through the use of noncredentialed drivers and unlicensed transporters; and

(D) stage motor fuel transfers involving overweight vehicles operating outside regulated corridors;

(3) federal enforcement reports and investigative findings indicate that certain transnational criminal networks have incorporated motor fuel theft, laundering, and covert distribution operations into broader illicit enterprises, using



motor fuel depots and logistics corridors to evade detection;

(4) the findings described by Subdivision (3) of this section have been recognized by federal sanctions authorities due to the threat such operations pose to economic stability and security on both sides of the border;

(5) the Senate Committee on Border Security Interim Report to the 89th Legislature further found that the proliferation of motor fuel depots and motor fuel transloading sites near the international border:

(A) enables falsified documentation of origin, destination, or custody of motor fuel shipments;

(B) undermines the ability of state agencies to verify compliance with export reporting and tax collection requirements; and

(C) contributes to the development of noncompliant or covert transloading operations in proximity to critical infrastructure, posing risks to the health and safety of surrounding communities;

(6) these motor fuel depots also pose environmental and public health risks, including:

(A) the possibility of accidental spills or explosions from hazardous materials transfers near populated areas;

(B) the use of mobile or non-permitted storage units without secondary containment systems; and

(C) the potential for contamination of surface water or groundwater through unregulated motor fuel handling practices;

(7) the risk that a hazardous incident involving motor fuel storage or transloading near an international bridge or port of entry could result in significant infrastructure damage is of particular concern to national security;

(8) an event described by Subdivision (7) of this section, whether accidental or intentional, could disrupt cross-border freight and passenger traffic for an extended period, with cascading effects on national and international trade routes, and given the volume of daily commercial crossings, even a temporary closure could result in substantial economic losses affecting supply chains and markets well beyond the border region;

(9) these activities are concentrated near the international border and operate in legal gray zones where federal, state, and local authorities have overlapping or incomplete jurisdiction;

(10) without clear and targeted legislation, motor fuel depots operating in these corridors within border counties may continue to pose systemic risks to national security;

(11) prohibiting the operation of motor fuel depots within counties along the Texas-Mexico border is necessary to:

(A) prevent tax evasion and fraudulent export practices;

(B) disrupt motor fuel-related trafficking to prevent the use of stolen motor fuel as a revenue stream to finance broader criminal enterprises and corruption;

(C) protect public health, safety, and environmental quality;

(D) preserve the integrity and reliability of commercial ports and critical freight corridors from transnational criminal threats; and

(E) support lawful trade, infrastructure investment, and economic security across Texas and beyond; and

(12) this article represents a valid and necessary exercise of the state's police power to safeguard public safety, commerce, transportation systems, and environmental health in areas that are uniquely vulnerable to cross-border motor fuel-related risks.

SECTION 2.02. Subtitle B, Title 4, Government Code, is amended by adding Chapter 426 to read as follows:

CHAPTER 426. RESTRICTIONS RELATING TO MOTOR FUEL DEPOTS IN BORDER COUNTIES

Sec. 426.001. DEFINITIONS. In this chapter:

(1) "Motor fuel" has the meaning assigned by Section 162.001, Tax Code.

(2) "Motor fuel depot" means any stationary or mobile facility used for the temporary or permanent storage, staging, transfer, transloading, or handling of motor fuel before transportation or export, whether the motor fuel is stored in a tank, container, or vehicle. The term does not include motor fuel that is:

(A) stored exclusively for residential, agricultural, or emergency purposes; or

(B) held in mobile tanks solely for direct on-road delivery not involving interim storage or transfer.

(3) "Transloading" means the transfer of motor fuel from one tank, container, or vehicle to another for purposes of storage, redistribution, or export, including transfers between transport vehicles at a motor fuel depot.

Sec. 426.002. MOTOR FUEL DEPOTS IN BORDER COUNTIES PROHIBITED. (a) A person may not establish, operate, or assist in the operation of a motor fuel depot located in a county that borders the United Mexican States, regardless of whether the motor fuel depot:

(1) is located on public or private property; or

(2) is intended for permanent or temporary operation.

(b) For purposes of Subsection (a), "assists in the operation of a motor fuel depot" includes knowingly allowing a motor fuel depot to operate on property owned or controlled by the person.

Sec. 426.003. CERTAIN CONDUCT RELATED TO MOTOR FUEL TRANSPORTATION PROHIBITED. A person may not knowingly:

(1) deliver motor fuel to a motor fuel depot located in a county that borders the United Mexican States;

(2) transport motor fuel to or from a motor fuel depot described by Subdivision (1) using an overweight vehicle that:

(A) exceeds the weight limitations provided by law; and

(B) is not operating under a permit issued under Subtitle E, Title 7, Transportation Code; or

(3) falsify a transport record, shipping document, or bill of lading to disguise the origin or destination of motor fuel.

Sec. 426.004. CRIMINAL PENALTIES. (a) A person commits an offense if the person violates Section 426.002 or 426.003.

(b) An offense under this section involving a violation of Section 426.002 is a Class A misdemeanor, except that the offense is:

(1) a state jail felony if the actor has been previously convicted one time of an offense punishable under this subsection; or

(2) a felony of the third degree if:

(A) the actor has been previously convicted two or more times of an offense punishable under this subsection;

(B) the motor fuel depot is located within five miles of an international bridge, port of entry, or border crossing between this state and the United Mexican States; or

(C) it is shown on the trial of the offense that the motor fuel depot is linked to environmental contamination or organized criminal activity.

(c) An offense under this section involving a violation of Section 426.003 is a felony of the second degree.

Sec. 426.005. INJUNCTIVE RELIEF; CIVIL PENALTY. (a) The attorney general may institute an action for injunctive relief to restrain a violation of this chapter.

(b) In addition to the injunctive relief provided by Subsection (a), the attorney general may institute an action for a civil penalty against a person who owns or controls property on which a motor fuel depot is located if the person knowingly established, operated, or assisted in the operation of the motor

fuel depot in violation of Section 426.002. A civil penalty assessed under this subsection may not exceed \$25,000 for each day the motor fuel depot is operated in violation of Section 426.002.

Sec. 426.006. DISCIPLINARY ACTION BY REGULATORY AGENCY. The appropriate regulatory agency may take disciplinary action against a person who violates this chapter, including by suspending or revoking a license or permit issued to the person.

SECTION 2.03. Article 59.01(2), Code of Criminal Procedure, is amended to read as follows:

(2) "Contraband" means property of any nature, including real, personal, tangible, or intangible, that is:

(A) used in the commission of:

(i) any first or second degree felony under the Penal Code;

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

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

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

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

(B) used or intended to be used in the commission of:

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

(ii) any felony under Chapter 483, Health and Safety Code;

(iii) a felony under Chapter 152, Finance Code;

(iv) any felony under Chapter 20A or 34, Penal Code;

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

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

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

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

(ix) any offense under Section 42.10, Penal Code;

(x) any offense under Section 46.06(a)(1) or 46.14, Penal Code;

(xi) any offense under Chapter 71, Penal Code;

(xii) any offense under Section 20.05, 20.06, 20.07, 43.04, or 43.05, Penal Code;

(xiii) an offense under Section 326.002, Business & Commerce Code;

(xiv) any offense under Section 545.420, Transportation Code; ~~or~~

(xv) any offense punishable under Section 42.03(d) or (e), Penal Code; or

(xvi) any offense under Section 426.002, Government Code;

(C) the proceeds gained from the commission of a felony listed in Paragraph (A) or (B) of this subdivision, a misdemeanor listed in Paragraph (B)(vii), (ix), (x), (xi), (xii), (xiv), or (xv) of this subdivision, or a crime of violence;

(D) acquired with proceeds gained from the commission of a felony listed in Paragraph (A) or (B) of this subdivision, a misdemeanor listed in Paragraph (B)(vii), (ix), (x),

(xi), (xii), (xiv), or (xv) of this subdivision, or a crime of violence;

(E) used to facilitate or intended to be used to facilitate the commission of a felony under Section 15.031 or Chapter 43, Penal Code; or

(F) used to facilitate or intended to be used to facilitate the commission of an offense under Section 20.05, 20.06, or 20.07 or Chapter 20A, Penal Code.

ARTICLE 3. MISCELLANEOUS PROVISIONS

SECTION 3.01. Article 18B.202(a), Code of Criminal Procedure, is amended to read as follows:

(a) A district judge may issue an order for the installation and use of a mobile tracking device only on the application of:

(1) an authorized peace officer; or

(2) a peace officer commissioned by the comptroller.

SECTION 3.02. Subchapter G, Chapter 621, Transportation Code, is amended by adding Section 621.512 to read as follows:

Sec. 621.512. PROHIBITION ON OPERATING CERTAIN OVERWEIGHT VEHICLES TRANSPORTING HAZARDOUS MATERIALS ON ROUTE OTHER THAN DESIGNATED PERMIT ROUTE. (a) A person commits an offense if the person operates or moves an overweight vehicle with three axles that is transporting hazardous materials under a permit issued under this subtitle on a public highway that is not included in the route designated under the permit.

(b) An offense under this section is a felony of the second degree.

(c) It is an affirmative defense to prosecution under this section that, at the time of the offense, the vehicle was being operated or moved:

(1) under the immediate direction of a law enforcement agency; or

(2) in compliance with a permit authorizing the movement of the vehicle issued by the department or a political subdivision of this state.

ARTICLE 4. EFFECTIVE DATE

SECTION 4.01. This Act takes effect September 1, 2025.

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