



# Senate

General Assembly

**File No. 431**

February Session, 2024

Substitute Senate Bill No. 393

*Senate, April 11, 2024*

The Committee on Government Administration and Elections reported through SEN. FLEXER of the 29th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT IMPLEMENTING THE TREASURER'S RECOMMENDATIONS CONCERNING UNCLAIMED PROPERTY.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 3-56a of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2024*):

3 As used in this part and section 2 of this act, unless the context  
4 otherwise requires:

5 (1) "Apparent owner" means the person whose name appears on the  
6 records of the holder as the person entitled to the property held, issued  
7 or owing by the holder;

8 (2) "Banking organization" means any state bank and trust company,  
9 national banking association or savings bank engaged in business in this  
10 state;

11 (3) "Business association" means a corporation, joint stock company,

12 partnership, unincorporated association, joint venture, limited liability  
13 company, business trust, trust company, safe deposit company,  
14 financial organization, insurance company, person engaged in the  
15 business of operating or controlling a mutual fund, utility or other  
16 business entity consisting of one or more persons, whether or not for  
17 profit;

18 (4) "Financial organization" means any savings and loan association,  
19 credit union or investment company;

20 (5) "Gift certificate" means a record evidencing a promise, made for  
21 consideration, by the seller or issuer of the record that goods or services  
22 will be provided to the owner of the record to the value shown in the  
23 record and includes, but is not limited to, a record that contains a  
24 microprocessor chip, magnetic stripe or other means for the storage of  
25 information that is prefunded and for which the value is decremented  
26 upon each use, a gift card, an electronic gift card, stored-value card or  
27 certificate, a store card, or a similar record or card, but "gift certificate"  
28 does not include prepaid calling cards regulated under section 42-370,  
29 prepaid commercial mobile radio services, as defined in 47 CFR 20.3 or  
30 general-use prepaid cards, as defined in section 42-460a;

31 (6) "Holder" means any person in possession of property subject to  
32 this part which belongs to another, or who is trustee in case of a trust, or  
33 who is indebted to another on an obligation subject to this part;

34 (7) "Insurance company" means an association, corporation or  
35 fraternal or mutual benefit organization, whether or not for profit,  
36 engaged in the business of providing life endowments, annuities or  
37 insurance, including accident, burial, casualty, credit life, contract  
38 performance, dental, disability, fidelity, fire, health, hospitalization,  
39 illness, life, malpractice, marine, mortgage, surety, wage protection and  
40 workers' compensation insurance;

41 (8) "Last-known address" means a description of the location of the  
42 apparent owner sufficient for the purpose of delivery of mail;

43 (9) "Mineral" means gas; oil; other gaseous, liquid, and solid  
44 hydrocarbons; oil shale; cement material; sand and gravel; road  
45 material; building stone; chemical raw material; gemstone; fissionable  
46 and nonfissionable ores; colloidal and other clay; steam and other  
47 geothermal resource; or any other substance defined as a mineral by the  
48 law of this state;

49 (10) "Mineral proceeds" means amounts payable for the extraction,  
50 production or sale of minerals, or, upon the abandonment of those  
51 payments, all payments that become payable thereafter, and "mineral  
52 proceeds" includes amounts payable: (A) For the acquisition and  
53 retention of a mineral lease, including bonuses, royalties, compensatory  
54 royalties, shut-in royalties, minimum royalties and delay rentals; (B) for  
55 the extraction, production or sale of minerals, including net revenue  
56 interests, royalties, overriding royalties, extraction payments and  
57 production payments; and (C) under an agreement or option, including  
58 a joint operating agreement, unit agreement, pooling agreement and  
59 farm-out agreement;

60 (11) "Owner" means a depositor in case of a deposit, a beneficiary in  
61 case of a trust, a creditor, claimant or payee in case of other choses in  
62 action, or any person having a legal or equitable interest in property  
63 subject to this part, or such person's legal representative;

64 (12) "Person" means any individual, business association, estate,  
65 trust, government, governmental subdivision, agency or  
66 instrumentality, or any other legal or commercial entity;

67 (13) "Property" means realty or personalty, tangible or intangible, and  
68 includes, but is not limited to, virtual currency;

69 (14) "Record" means information that is inscribed on a tangible  
70 medium or that is stored in an electronic or other medium and is  
71 retrievable in perceivable form;

72 (15) "Treasurer" means the Treasurer of the state of Connecticut; [and]

73 (16) "Utility" means a person who owns or operates for public use any

74 plant, equipment, real property, franchise or license for the transmission  
75 of communications or the production, storage, transmission, sale,  
76 delivery or furnishing of electricity, water, steam or gas; and

77 (17) "Virtual currency" has the same meaning as provided in section  
78 36a-596.

79 Sec. 2. (NEW) (*Effective July 1, 2024*) Any virtual currency held by a  
80 business association, banking organization or financial organization  
81 that facilitates the purchase, storage or transfer of virtual currency  
82 through a secure system is presumed abandoned under part III of  
83 chapter 32 of the general statutes unless the owner of such virtual  
84 currency has accessed such secure system within the preceding three  
85 years or, in the case of the final voluntary or involuntary dissolution or  
86 liquidation of the business association, banking organization or  
87 financial organization that operates such secure system, at such date of  
88 dissolution or liquidation.

89 Sec. 3. Section 3-65a of the general statutes is repealed and the  
90 following is substituted in lieu thereof (*Effective July 1, 2024*):

91 (a) [Within] Not less than one hundred eighty days before a  
92 presumption of abandonment is to take effect in respect to property  
93 subject to section 3-60b or 3-60c and within one year before a  
94 presumption of abandonment is to take effect in respect to all other  
95 property subject to this part, and if the owner's claim is not barred by  
96 law, the holder shall notify the owner thereof, by first class mail directed  
97 to the owner's last-known address, by electronic mail directed to the  
98 owner's last-known electronic mail address and by communication to  
99 the owner's last-known telephone number, including a mobile  
100 telephone number, that evidence of interest must be indicated as  
101 required by this part or such property will be transferred to the  
102 Treasurer and will be subject to escheat to the state. If the property  
103 presumed abandoned is a security, virtual currency or tangible property  
104 from a safe deposit box, the holder's notice shall indicate that such  
105 property may be liquidated either prior to or following its reporting to  
106 the Treasurer and that after such liquidation will be limited to the

107 proceeds of such liquidation.

108 (b) Not later than ninety days after the close of the calendar year in  
109 which property is presumed abandoned, the holder shall pay or deliver  
110 such property to the Treasurer and file, on forms that the Treasurer shall  
111 provide, a report of unclaimed property. Each report shall be verified  
112 and shall include: (1) The name, if known, [and] last-known physical  
113 and electronic mail address, if any, and last-known telephone number,  
114 if any, of each person appearing to be the owner of such property; (2) in  
115 case of unclaimed funds of an insurance company, the full name of the  
116 insured or annuitant and beneficiary and his or her last-known address  
117 appearing on the insurance company's records; (3) the nature and  
118 identifying number, if any, or description of the property and the  
119 amount appearing from the records to be due; (4) the date when the  
120 property became payable, demandable or returnable and the date of the  
121 last transaction with the owner with respect to the property; (5) if the  
122 holder is a successor to other holders, or if the holder has changed the  
123 holder's name, all prior known names and addresses of each holder of  
124 the property; and (6) such other information as the Treasurer may  
125 require.

126 (c) Verification, if made by a partnership, shall be executed by a  
127 partner; if made by an unincorporated association or private  
128 corporation, by an officer; and if made by a public corporation, by its  
129 chief fiscal officer.

130 (d) The Treasurer shall keep a permanent record of all reports  
131 submitted to the Treasurer pursuant to this section.

132 (e) Except for claims paid under section 3-67a and except as provided  
133 in subsection (e) of section 3-70a, no owner shall be entitled to any  
134 interest, income or other increment which may accrue to property  
135 presumed abandoned from and after the date of payment or delivery to  
136 the Treasurer.

137 (f) The Treasurer may decline to receive any property the value of  
138 which is less than the cost of giving notice or holding sale, or may

139 postpone taking possession until a sufficient sum accumulates.

140 (g) The Treasurer, or any officer or agency designated by the  
141 Treasurer, may examine any person on oath or affirmation, or the  
142 records of any person or any agent of the person including, but not  
143 limited to, a dividend disbursement agent or transfer agent of a business  
144 association, banking organization or insurance company that is the  
145 holder of property presumed abandoned to determine whether the  
146 person or agent has complied with this part. The Treasurer may conduct  
147 the examination even if the person or agent believes the person or agent  
148 is not in possession of any property that must be paid, delivered or  
149 reported under this part. The Treasurer may bring an action in a court  
150 of appropriate jurisdiction to enforce the provisions of this part.

151 (h) A record of the issuance of a check, draft or similar instrument is  
152 prima facie evidence of the obligation represented by the check, draft or  
153 similar instrument. In claiming property from a holder who is also the  
154 issuer, the Treasurer's burden of proof as to the existence and amount  
155 of the property and its abandonment is satisfied by showing issuance of  
156 the instrument and passage of the requisite period of abandonment.  
157 Defenses of payment, satisfaction, discharge and want of consideration  
158 are affirmative defenses that shall be established by the holder.

159 (i) Notwithstanding the provisions of subsection (b) of this section,  
160 the holder of personal property presumed abandoned pursuant to  
161 subdivision (5) of subsection (a) of section 3-57a or section 2 of this act  
162 shall (1) sell such property and pay the proceeds arising from such sale,  
163 excluding any charges that may lawfully be withheld, to the Treasurer,  
164 unless such property consists of military medals, in which case such  
165 property shall not be sold, and (2) provide the Treasurer with records  
166 deemed appropriate by the Treasurer of property so presumed  
167 abandoned. The holder shall complete the sale of such property and  
168 deliver the net proceeds to the Treasurer not later than thirty days after  
169 filing the report required under subsection (b) of this section. A holder  
170 of [such] tangible, personal property may contract with a third party to  
171 store and sell such property and to pay the proceeds arising from such

172 sale, excluding any charges that may be lawfully withheld, to the  
173 Treasurer, provided the third party holds a surety bond or other form  
174 of insurance coverage with respect to such activities. Any holder who  
175 sells [such] property pursuant to subsection (a) of section 3-57a or  
176 section 2 of this act and remits the excess proceeds to the Treasurer or  
177 who transmits [such] tangible, personal property to a bonded or insured  
178 third party for such purposes, shall not be responsible for any claims  
179 related to the sale or transmission of the property or proceeds to the  
180 Treasurer. If the Treasurer exempts any such property from being  
181 remitted or sold pursuant to this subsection, whether by regulations or  
182 guidelines, the holder of such property may dispose of such property in  
183 any manner such holder deems appropriate and such holder shall not  
184 be responsible for any claims related to the disposition of such property  
185 or any claims to the property itself. For purposes of [this subsection] the  
186 sale of personal property presumed abandoned under subdivision (5) of  
187 subsection (a) of section 3-57a or section 2 of this act, charges that may  
188 lawfully be withheld include costs of storage, appraisal, advertising and  
189 sales commissions as well as lawful charges owing under the contract  
190 governing the safe deposit box rental.

191 (j) In the event military medals are presumed abandoned pursuant to  
192 subdivision (5) of subsection (a) of section 3-57a, a banking or financial  
193 organization shall transmit such medals to the Department of Veterans  
194 Affairs in accordance with procedures established by the Treasurer. The  
195 Treasurer and Commissioner of Veterans Affairs shall enter into a  
196 memorandum of understanding concerning the handling of such  
197 medals and the Department of Veterans Affairs shall hold such medals  
198 in custody pursuant to such memorandum. The Treasurer may make  
199 any information obtained pursuant to this section, including any  
200 photograph or other visual depiction of a military medal but excluding  
201 Social Security numbers, available to the public to facilitate the  
202 identification of the original owner of such medal or such owner's heirs  
203 or beneficiaries.

204 Sec. 4. Subsection (c) of section 3-66a of the general statutes is  
205 repealed and the following is substituted in lieu thereof (*Effective July 1,*

206 2024):

207 (c) The Treasurer shall notify, ~~[by first-class mail]~~ in a manner  
208 deemed appropriate by the Treasurer, each person, other than an  
209 individual to whom the Treasurer makes or will make a payment  
210 pursuant to subsection (f) of section 3-70a, reported as the apparent  
211 owner of unclaimed property that was reported or transferred to the  
212 Treasurer during the preceding calendar year and for whom the holder  
213 of such property has reported a last-known address, valid electronic  
214 mail address or telephone number to the Treasurer. Such notice shall  
215 include information concerning the amount and description of such  
216 property and the process by which such owner may verify ownership  
217 to and claim such property.

218 Sec. 5. Section 45a-179 of the general statutes is repealed and the  
219 following is substituted in lieu thereof (*Effective July 1, 2024*):

220 (a) When a conservator, guardian or trustee of a testamentary trust  
221 exhibits his or her final account to the Probate Court for allowance, the  
222 court shall appoint a time and place for a hearing on the account and  
223 shall cause notice of the hearing to be given as it directs. Such fiduciary  
224 shall sign the account under penalty of false statement.

225 (b) Prior to exhibiting a final account to the Probate Court, an  
226 executor or administrator shall (1) conduct a search of the list of  
227 unclaimed property maintained by the Treasurer pursuant to section 3-  
228 66a, as amended by this act, and (2) certify to the court that such search  
229 has been conducted and the results of such search, under penalty of false  
230 statement.

231 ~~[(b)]~~ (c) The court shall, before approving a final account of an  
232 executor or administrator, hold a hearing thereon for which notice may  
233 be given as the court shall direct, unless all parties interested in the  
234 estate sign and file in court a written waiver of such notice.

235 Sec. 6. Subsection (c) of section 3-70a of the general statutes is  
236 repealed and the following is substituted in lieu thereof (*Effective July 1,*



237 2024):

238 (c) (1) (A) No agreement entered into prior to January 1, 2023, to  
239 locate property shall be valid if: (i) Such agreement is entered into (I)  
240 within two years after the date a report of unclaimed property is  
241 required to be filed under section 3-65a, as amended by this act, or (II)  
242 between the date such a report is required to be filed under said section  
243 and the date it is filed under said section, whichever period is longer;  
244 (ii) such agreement is entered into within two years after the date of  
245 posting of the notice required by section 3-66a, as amended by this act;  
246 or (iii) pursuant to such agreement, any person undertakes to locate  
247 property included in a report of unclaimed property that is required to  
248 be filed under section 3-65a, as amended by this act, for a fee or other  
249 compensation exceeding ten per cent of the value of the recoverable  
250 property.

251 (B) No agreement entered into on or after January 1, 2023, to locate  
252 property shall be valid if: (i) Such agreement is entered into (I) within  
253 two years after the date a report of unclaimed property is required to be  
254 filed under section 3-65a, as amended by this act, or (II) between the date  
255 such a report is required to be filed under said section and the date it is  
256 filed under said section, whichever period is longer; or (ii) pursuant to  
257 such agreement, any person undertakes to locate property included in a  
258 report of unclaimed property that is required to be filed under section  
259 3-65a, as amended by this act, for a fee or other compensation exceeding  
260 ten per cent of the value of the recoverable property.

261 (2) (A) An agreement entered into prior to January 1, 2025, to locate  
262 property shall be valid only if it is in writing, signed by the owner, and  
263 discloses the nature and value of the property, and the owner's share  
264 after the fee or compensation has been subtracted is clearly stipulated.  
265 [Nothing in this section shall be construed to prevent an owner from  
266 asserting, at any time, that any agreement to locate property is based  
267 upon excessive or unjust consideration.]

268 (B) An agreement entered into on or after January 1, 2025, to locate  
269 property or to otherwise obtain an interest in unclaimed property shall

270 be valid only if in writing, signed by the owner and clearly and  
271 conspicuously discloses (i) the nature and value of the property, (ii) the  
272 owner's share after the fee or compensation has been subtracted from  
273 such value, and (iii) that the owner may file a claim directly with the  
274 Treasurer at no cost and the method through which such claim may be  
275 filed.

276 (3) Any solicitation made to locate or otherwise obtain an interest in  
277 unclaimed property shall clearly and conspicuously disclose in a written  
278 statement that (A) any individual may search for and file a claim for  
279 such property directly with the Treasurer at no cost, and (B) the method  
280 through which such claim may be filed.

281 (4) Any claim for unclaimed property filed with the Treasurer  
282 pursuant to an agreement or solicitation under this subsection, shall  
283 include an unredacted version of any such agreement or solicitation to  
284 permit the Treasurer to determine whether such agreement or  
285 solicitation complies with the requirements of this subsection.

286 (5) The Treasurer may withhold payment of a claim for unclaimed  
287 property to anyone other than the owner (A) for failure to comply with  
288 the requirements of subdivision (4) of this subsection, or (B) if the  
289 Treasurer determines that the solicitation or agreement to locate or  
290 otherwise obtain an interest in such unclaimed property does not  
291 comply with any other requirement of this subsection.

292 (6) Nothing in this section shall be construed to prevent an owner  
293 from asserting, at any time, that an agreement to locate or to otherwise  
294 obtain an interest in unclaimed property is based upon excessive or  
295 unjust consideration.

296 Sec. 7. (NEW) (*Effective from passage*) The Commissioner of Revenue  
297 Services and the Treasurer shall enter into an agreement for the  
298 disclosure of return information, or other relevant information in the  
299 commissioner's possession, to the Treasurer to facilitate (1) the  
300 identification of the rightful owner of unclaimed property under part III  
301 of chapter 32 of the general statutes, and (2) the payment of claims via

302 electronic deposit or other electronic means. No provision of any such  
303 agreement shall unnecessarily delay or impede the Treasurer's ability to  
304 comply with any requirements for such payment required by law.

305 Sec. 8. Subsection (b) of section 12-15 of the 2024 supplement to the  
306 general statutes is repealed and the following is substituted in lieu  
307 thereof (*Effective from passage*):

308 (b) The commissioner may disclose (1) returns or return information  
309 to (A) an authorized representative of another state agency or office,  
310 upon written request by the head of such agency or office, when  
311 required in the course of duty or when there is reasonable cause to  
312 believe that any state law is being violated, or (B) an authorized  
313 representative of an agency or office of the United States, upon written  
314 request by the head of such agency or office, when required in the course  
315 of duty or when there is reasonable cause to believe that any federal law  
316 is being violated, provided no such agency or office shall disclose such  
317 returns or return information, other than in a judicial or administrative  
318 proceeding to which such agency or office is a party pertaining to the  
319 enforcement of state or federal law, as the case may be, in a form which  
320 can be associated with, or otherwise identify, directly or indirectly, a  
321 particular taxpayer except that the names and addresses of jurors or  
322 potential jurors and the fact that the names were derived from the list of  
323 taxpayers pursuant to chapter 884 may be disclosed by the Judicial  
324 Branch; (2) returns or return information to the Auditors of Public  
325 Accounts, when required in the course of duty under chapter 23; (3)  
326 returns or return information to tax officers of another state or of a  
327 Canadian province or of a political subdivision of such other state or  
328 province or of the District of Columbia or to any officer of the United  
329 States Treasury Department or the United States Department of Health  
330 and Human Services, authorized for such purpose in accordance with  
331 an agreement between this state and such other state, province, political  
332 subdivision, the District of Columbia or department, respectively, when  
333 required in the administration of taxes imposed under the laws of such  
334 other state, province, political subdivision, the District of Columbia or  
335 the United States, respectively, and when a reciprocal arrangement

336 exists; (4) returns or return information in any action, case or proceeding  
337 in any court of competent jurisdiction, when the commissioner or any  
338 other state department or agency is a party, and when such information  
339 is directly involved in such action, case or proceeding; (5) returns or  
340 return information to a taxpayer or its authorized representative, upon  
341 written request for a return filed by or return information on such  
342 taxpayer; (6) returns or return information to a successor, receiver,  
343 trustee, executor, administrator, assignee, guardian or guarantor of a  
344 taxpayer, when such person establishes, to the satisfaction of the  
345 commissioner, that such person has a material interest which will be  
346 affected by information contained in such returns or return information;  
347 (7) information to the assessor or an authorized representative of the  
348 chief executive officer of a Connecticut municipality, when the  
349 information disclosed is limited to (A) a list of real or personal property  
350 that is or may be subject to property taxes in such municipality, or (B) a  
351 list containing the name of each person who is issued any license, permit  
352 or certificate which is required, under the provisions of this title, to be  
353 conspicuously displayed and whose address is in such municipality; (8)  
354 real estate conveyance tax return information or controlling interest  
355 transfer tax return information to the town clerk or an authorized  
356 representative of the chief executive officer of a Connecticut  
357 municipality to which the information relates; (9) estate tax returns and  
358 estate tax return information to the Probate Court Administrator or to  
359 the court of probate for the district within which a decedent resided at  
360 the date of the decedent's death, or within which the commissioner  
361 contends that a decedent resided at the date of the decedent's death or,  
362 if a decedent died a nonresident of this state, in the court of probate for  
363 the district within which real estate or tangible personal property of the  
364 decedent is situated, or within which the commissioner contends that  
365 real estate or tangible personal property of the decedent is situated; (10)  
366 returns or return information to the (A) Secretary of the Office of Policy  
367 and Management for purposes of subsection (b) of section 12-7a, and (B)  
368 Office of Fiscal Analysis for purposes of, and subject to the provisions  
369 of, subdivision (2) of subsection (f) of section 12-7b; (11) return  
370 information to the Jury Administrator or Clerk of the United States

371 District Court for the District of Connecticut, when the information  
372 disclosed is limited to the names, addresses, federal Social Security  
373 numbers and dates of birth, if available, of residents of this state, as  
374 defined in subdivision (1) of subsection (a) of section 12-701; (12) returns  
375 or return information to any person to the extent necessary in  
376 connection with the processing, storage, transmission or reproduction  
377 of such returns or return information, and the programming,  
378 maintenance, repair, testing or procurement of equipment, or the  
379 providing of other services, for purposes of tax administration; (13)  
380 without written request and unless the commissioner determines that  
381 disclosure would identify a confidential informant or seriously impair a  
382 civil or criminal tax investigation, returns and return information which  
383 may constitute evidence of a violation of any civil or criminal law of this  
384 state or the United States to the extent necessary to apprise the head of  
385 such agency or office charged with the responsibility of enforcing such  
386 law, in which event the head of such agency or office may disclose such  
387 return information to officers and employees of such agency or office to  
388 the extent necessary to enforce such law; (14) names and addresses of  
389 operators, as defined in section 12-407, to tourism districts, as defined in  
390 section 10-397; (15) names of each licensed dealer, as defined in section  
391 12-285, and the location of the premises covered by the dealer's license;  
392 (16) to a tobacco product manufacturer that places funds into escrow  
393 pursuant to the provisions of subsection (a) of section 4-28i, return  
394 information of a distributor licensed under the provisions of chapter 214  
395 or chapter 214a, provided the information disclosed is limited to  
396 information relating to such manufacturer's sales to consumers within  
397 this state, whether directly or through a distributor, dealer or similar  
398 intermediary or intermediaries, of cigarettes, as defined in section 4-28h,  
399 and further provided there is reasonable cause to believe that such  
400 manufacturer is not in compliance with section 4-28i; (17) returns or  
401 return information to the State Elections Enforcement Commission,  
402 upon written request by said commission, when necessary to investigate  
403 suspected violations of state election laws; (18) returns or return  
404 information for purposes of, and subject to the conditions of, subsection  
405 (e) of section 5-240; (19) to the extent allowable under federal law, return

406 information to another state agency or to support a data request  
 407 submitted through CP20 WIN, established in section 10a-57g, in  
 408 accordance with the policies and procedures of CP20 WIN for the  
 409 purposes of evaluation or research, provided the recipient of such data  
 410 enters into a data sharing agreement pursuant to section 4-67aa if such  
 411 recipient is not a state agency; [and] (20) return information to the  
 412 Connecticut Health Insurance Exchange pursuant to section 12-156; and  
 413 (21) return information to the Treasurer pursuant to an agreement  
 414 entered into under section 7 of this act.

|   |                     |             |
|---|---------------------|-------------|
| This act shall take effect as follows and shall amend the following sections: |                     |             |
| Section 1   | <i>July 1, 2024</i> | 3-56a       |
| Sec. 2  | <i>July 1, 2024</i> | New section |
| Sec. 3  | <i>July 1, 2024</i> | 3-65a       |
| Sec. 4  | <i>July 1, 2024</i> | 3-66a(c)    |
| Sec. 5  | <i>July 1, 2024</i> | 45a-179     |
| Sec. 6  | <i>July 1, 2024</i> | 3-70a(c)    |
| Sec. 7  | <i>from passage</i> | New section |
| Sec. 8  | <i>from passage</i> | 12-15(b)    |

**Statement of Legislative Commissioners:**

In Section 6, references to "as amended by this act" were added for consistency with standard drafting conventions.

**GAE**      *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:**

| Agency Affected               | Fund-Effect                 | FY 25 \$  | FY 26 \$  |
|-------------------------------|-----------------------------|-----------|-----------|
| Resources of the General Fund | GF - Potential Revenue Loss | See Below | See Below |
| Resources of the General Fund | GF - Potential Revenue Gain | See Below | See Below |

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill makes various changes to the state's unclaimed property law, which results in a potential revenue gain and potential revenue loss to the General Fund, as detailed below:

**Increased revenues**

Sections 1 and 2 subject virtual currency, presumed abandoned, to the state's unclaimed property law and require holders to liquidate it before delivering its net proceeds to the treasurer as escheated property. This results in a potential revenue gain, which depends on the volume of virtual currency that is deemed abandoned, its liquidated value, and the number and value of claims paid involving virtual currency.<sup>1</sup>

**Increased claims paid**

Many of the changes in the bill are likely to result in higher amounts

<sup>1</sup> Given the volatile nature of cryptocurrency pricing and value, the amount that would be recovered is indeterminate.

of claims paid in the future, including the requirement that (1) holders contact owners using the last-known email address and telephone number, (2) estate executors and administrators search the unclaimed property list before giving the Probate Court the estate's final account, and (3) the Treasurer access return information to facilitate the identification of rightful owners and the payment of claims via electronic deposit. These changes result in a revenue loss of unknown magnitude dependent on the growth in additional claims and amounts paid.<sup>2</sup>

### **Administrative expenses**

The bill allows the Treasurer to choose the appropriate contact method from either email, phone, or mailing address, instead of current law that requires using mailing address. It also requires the Treasurer and Department of Revenue Services to enter into an agreement regarding data sharing to identify owners and facilitate electronic transactions. To the extent the Treasurer chooses to use less expensive notification methods as allowed by the bill or is able to use electronic payments in lieu of paper checks, less of the escheats would be necessary for administrative expenses. The reduction in administrative expenses is anticipated to be minimal.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to the number and amount of unclaimed liquidated virtual currency, claim volume and amounts, and inflation.

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<sup>2</sup> As a reference, in FY 23 the gross unclaimed property receipts were \$187.8 million, out of which \$71.6 million was paid to rightful owners.



**OLR Bill Analysis****sSB 393*****AN ACT IMPLEMENTING THE TREASURER'S RECOMMENDATIONS CONCERNING UNCLAIMED PROPERTY.*****SUMMARY**

By law, most property held or owed in this state that remains unclaimed by the owner is presumed abandoned after a specified amount of time passes and escheats to the state as abandoned (or unclaimed) property. This bill makes various changes to these laws. Principally, the bill:

1. establishes circumstances under which virtual currency is presumed abandoned and explicitly subjects it to the state's unclaimed property law (§§ 1 & 2),
2. requires business associations and banking or financial organizations holding abandoned virtual currency to liquidate it before delivering its net proceeds to the treasurer as escheated property (§ 3),
3. expands the notice requirements for unclaimed property owners (§ 3),
4. gives the treasurer discretion to contact apparent property owners in the way he deems most appropriate (§ 4),
5. requires estate executors and administrators to search the unclaimed property list before giving the Probate Court the estate's final account (§ 5),
6. requires additional disclosures under agreements or solicitations to locate property (§ 6), and

7. requires the treasurer and the Department of Revenue Services (DRS) to enter into an agreement establishing a procedure for data sharing to identify property owners and facilitate the electronic return of unclaimed property (§§ 7 & 8).

EFFECTIVE DATE: July 1, 2024, except the tax data sharing provisions are effective upon passage.

### **§§ 1-3 — REQUIREMENTS FOR SPECIFIED TYPES OF ABANDONED PROPERTY**

#### ***Abandoned Virtual Currency Held by Banks and Financial Institutions***

The bill explicitly adds virtual currency as a type of property subject to the state's unclaimed property law. By law, and under the bill, virtual currency is any type of digital unit that is used as a medium of exchange or a form of digitally stored value or that is incorporated into payment system technology. It generally does not include digital units used for an online game or customer rewards programs (CGS § 36a-596(21)).

Under the bill, virtual currency held by a business association or banking or financial organization that facilitates the purchase, storage, or transfer of virtual currency through a secure system is presumed abandoned (1) if the owner has not accessed the secure system within three years or (2) on the date the association or organization is dissolved (voluntarily or involuntarily) or liquidated.

#### ***Sales of Virtual Currency and Property From a Safe Deposit Box***

The bill extends certain requirements to holders of abandoned virtual currency that apply under existing law to holders of abandoned personal property from a safe deposit box. Specifically, it:

1. requires holders (i.e., business associations and banking or financial organizations) to sell the abandoned virtual currency and transfer the sale proceeds (minus any charges that may be lawfully withheld), along with any relevant records the treasurer deems appropriate, to the treasurer;

2. exempts the holders from responsibility for claims related to virtual currency sales or transfers to the treasurer;
3. allows the holder to dispose of the virtual currency in any way it considers appropriate and exempts the holder from responsibility for any claims related to the virtual currency's disposition or the virtual currency itself if the treasurer, by regulation or guideline, exempts the virtual currency from requirements that it be sold and the proceeds remitted to him; and
4. specifies that the charges that may lawfully be withheld from abandoned virtual currency sale proceeds include costs for storage, appraisal, advertising, and sales commissions.

Existing law requires holders to pay or deliver abandoned property and report on the property to the state treasurer within 90 days after the end of the calendar year in which the property is presumed abandoned. For both safe deposit box property and virtual currency, the bill requires the property holder to sell the property and deliver the proceeds within 30 days after reporting the property to the treasurer (but, presumably, still within the 90-day window established by existing law).

### ***Tangible Personal Property***

Existing law allows the holder of abandoned personal property from a safe deposit box to contract with a third party to store and sell the property and pay the proceeds to the treasurer, as long as the third party is bonded or insured in performing these activities. The bill modifies this authority to cover holders of any tangible personal property, and in doing so extends the liability protections described above for sales and transfers of safe deposit property and virtual currency.

## **§§ 3 & 4 — NOTIFICATIONS**

### ***Notice to the Owner***

By law, before property is presumed abandoned, the holder of the property must notify the property owner that the owner must indicate his or her interest in the property or it will be transferred to the treasurer

and subject to escheat to the state. The bill requires holders to notify the owner by email and telephone, in addition to first-class mail as required by existing law. The holder must use the owner's last-known email address and telephone number, including his or her cellphone number, for these notifications.

Additionally, for any abandoned security, virtual currency, or tangible property from a safe deposit box, the notice provided must indicate that the (1) property may be liquidated before or after its reporting to the state treasurer and (2) owner's claim is limited to the liquidation's proceeds.

For wages, salaries, or compensation or utility deposits, refunds, or other sums, the bill requires that holders send the mail, email, and telephone notices at least 180 days before the property is presumed abandoned, rather than within 180 days before as current law requires for the mailed notice. As under existing law, for other property, holders must send these notices within a year before the property is presumed abandoned.

### ***Report to the Treasurer***

Existing law generally requires property holders, within 90 days after the end of the calendar year in which property is presumed abandoned, to deliver it to the treasurer and prepare an unclaimed property report that includes, among other things, the name and physical address of the property's apparent owner. The bill additionally requires holders to report the owner's last-known email address and telephone number, if any.

### ***Notice by Treasurer***

Current law generally requires the treasurer to notify by first-class mail each person (1) reported as the apparent owner of abandoned property during the preceding calendar year and (2) for whom the holder reported a last-known address. The bill requires him to provide this notice (1) in a manner he deems appropriate, rather than only by first-class mail, and (2) to anyone for whom the holder reported a last-

known email address or telephone number.

## **§ 5 — SEARCH BY EXECUTORS AND ADMINISTRATORS**

The bill requires estate executors and administrators to search for unclaimed property (presumably, property owed to a decedent's estate) before giving the Probate Court a final account. The executor or administrator must certify to the court, under penalty of false statement, that they did this search and provide the search results.

By law, making a false statement is a class A misdemeanor punishable by up to 364 days in prison, up to a \$2,000 fine, or both (CGS § 53a-157b).

## **§ 6 — AGREEMENTS OR SOLICITATIONS TO LOCATE PROPERTY**

The bill establishes disclosure requirements for agreements to locate unclaimed property. Under existing practice, people, businesses, and other entities assist property owners, for payment, in finding unclaimed property and reclaiming it on the owner's behalf.

Under current law, these agreements are only valid if they are (1) in writing, (2) signed by the owner, (3) disclose the nature and value of the property, and (4) clearly stipulate the owner's share after subtracting the fee or compensation. For agreements to provide these services entered into after January 1, 2025, these disclosures must also conspicuously and clearly disclose that the owner may file a claim directly with the treasurer at no cost and the method for doing so.

The bill also requires that any solicitation to locate or obtain an interest in unclaimed property clearly and conspicuously disclose in writing that the owner may search for and file a claim directly with the treasurer at no cost and provide the method for filing a claim.

Under the bill, any claim for property filed with the treasurer under an agreement or solicitation to locate property must include an unredacted version of the agreement or solicitation to allow the treasurer to determine if these requirements have been met. The treasurer may withhold payment of a claim to anyone except an owner if the agreement or solicitation (1) is not provided or (2) fails to meet

these requirements.

## **§§ 7 & 8 — TAX DATA SHARING**

The bill requires the treasurer and DRS commissioner to enter into a data-sharing agreement to allow for the disclosure of tax return information (see BACKGROUND) and other relevant information in the commissioner's possession to the treasurer to facilitate the (1) identification of unclaimed property owners and (2) payment of claims via direct deposit or other electronic means. The bill specifies that this agreement may not unnecessarily delay or impede the treasurer's ability to comply with the law's requirements for an unclaimed property payment. The bill also makes a conforming change to allow the DRS commissioner to disclose return information for these purposes.

## **BACKGROUND**

### ***Tax Returns and Return Information***

By law, a "return" is any of the following filed with the DRS commissioner by, on behalf of, or with respect to, anyone: (1) a tax or information return; (2) an estimated tax declaration; (3) a refund claim; or (4) any license, permit, registration, or other application. The term also covers amendments or supplements, including supporting schedules, attachments, or lists that supplement or are part of a filed return.

"Return information" includes:

1. a taxpayer's identity;
2. the nature, source, or amount of the taxpayer's income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax collected or withheld, tax under- or over-reporting, or tax payments; and
3. any other data received, recorded, prepared, or collected by or furnished to the DRS commissioner about (a) a return or (b) any determination of liability for a tax, penalty, interest, fine, forfeiture, or other imposition or offense (CGS § 12-15(h)(1) & (2)).

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable

Yea 19 Nay 0 (03/26/2024)