

OFFICE OF FISCAL ANALYSIS

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sSB-393

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

As Amended by Senate "A" (LCO 4677), Senate "B" (LCO 5255)
Senate Calendar No.: 267

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.¹

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

Increased claims paid

Changes in the bill are likely to result in higher amounts of claims paid in the future, including the requirement that (1) holders contact owners using the last-known email address and telephone number, and (2) 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.²

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.

Senate "A" removes the requirement that estate executors and administrators search the unclaimed property list before giving the Probate Court the estate's final account. This reduces the potential revenue loss from increased claims paid, resulting in the impact described above.

Senate "B" removes additional provisions regarding agreements to locate property. This does not alter the fiscal impact as identified in the underlying fiscal note.

The Out Years

² 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.

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.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does 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.