

General Assembly

February Session, 2024

Raised Bill No. 393

LCO No. **2686**

Referred to Committee on GOVERNMENT ADMINISTRATION AND ELECTIONS

Introduced by: (GAE)

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 Section 3-56a of the general statutes is repealed and the 2 following is substituted in lieu thereof (*Effective July 1, 2024*):
- As used in this part <u>and section 2 of this act</u>, unless the context 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;
- (3) "Business association" means a corporation, joint stock company,
 partnership, unincorporated association, joint venture, limited liability

company, business trust, trust company, safe deposit company,
financial organization, insurance company, person engaged in the
business of operating or controlling a mutual fund, utility or other
business entity consisting of one or more persons, whether or not for
profit;

(4) "Financial organization" means any savings and loan association,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;

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

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

41 (8) "Last-known address" means a description of the location of the42 apparent owner sufficient for the purpose of delivery of mail;

43 (9) "Mineral" means gas; oil; other gaseous, liquid, and solid

hydrocarbons; oil shale; cement material; sand and gravel; road
material; building stone; chemical raw material; gemstone; fissionable
and nonfissionable ores; colloidal and other clay; steam and other
geothermal resource; or any other substance defined as a mineral by the
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;

(11) "Owner" means a depositor in case of a deposit, a beneficiary in
case of a trust, a creditor, claimant or payee in case of other choses in
action, or any person having a legal or equitable interest in property
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;

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

(14) "Record" means information that is inscribed on a tangible
medium or that is stored in an electronic or other medium and is
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

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

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

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.

Sec. 3. Section 3-65a of the general statutes is repealed and the 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

the Treasurer and that after such liquidation will be limited to the
 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.

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

(d) The Treasurer shall keep a permanent record of all reportssubmitted to the Treasurer pursuant to this section.

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

137 (f) The Treasurer may decline to receive any property the value of

which is less than the cost of giving notice or holding sale, or maypostpone 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 issuer, the Treasurer's burden of proof as to the existence and amount 154 155 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, the holder of personal property presumed abandoned pursuant to 160 subdivision (5) of subsection (a) of section 3-57a or section 2 of this act 161 162 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 abandoned. The holder shall complete the sale of such property and 167 168 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 be responsible for any claims related to the disposition of such property 184 185 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 medals and the Department of Veterans Affairs shall hold such medals 197 198 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.

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

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

(b) Prior to exhibiting a final account to the Probate Court, an
executor or administrator shall (1) conduct a search of the list of
unclaimed property maintained by the Treasurer pursuant to section 366a, as amended by this act, and (2) certify to the court that such search
has been conducted and the results of such search, under penalty of false
statement.

(c) The court shall, before approving a final account of an executor or
administrator, hold a hearing thereon for which notice may be given as
the court shall direct, unless all parties interested in the 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

repealed and the following is substituted in lieu thereof (*Effective July 1*, 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, or (II) between the date such a 242 report is required to be filed under said section and the date it is filed 243 under said section, whichever period is longer; (ii) such agreement is 244 entered into within two years after the date of posting of the notice 245 required by section 3-66a; or (iii) pursuant to such agreement, any 246 person undertakes to locate property included in a report of unclaimed 247 property that is required to be filed under section 3-65a for a fee or other 248 compensation exceeding ten per cent of the value of the recoverable 249 property.

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

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

267 (B) An agreement entered into on or after January 1, 2025, to locate

268 property or to otherwise obtain an interest in unclaimed property shall 269 be valid only if in writing, signed by the owner and clearly and 270 conspicuously discloses (i) the nature and value of the property, (ii) the 271 owner's share after the fee or compensation has been subtracted from such value, and (iii) that the owner may file a claim directly with the 272 273 Treasurer at no cost and the method through which such claim may be 274 filed. 275 (3) Any solicitation made to locate or otherwise obtain an interest in 276 unclaimed property shall clearly and conspicuously disclose in a written statement that (A) any individual may search for and file a claim for 277 278 such property directly with the Treasurer at no cost, and (B) the method 279 through which such claim may be filed. 280 (4) Any claim for unclaimed property filed with the Treasurer pursuant to an agreement or solicitation under this subsection, shall 281 include an unredacted version of any such agreement or solicitation to 282 permit the Treasurer to determine whether such agreement or 283 284 solicitation complies with the requirements of this subsection. 285 (5) The Treasurer may withhold payment of a claim for unclaimed 286 property to anyone other than the owner (A) for failure to comply with the requirements of subdivision (4) of this subsection, or (B) if the 287 288 Treasurer determines that the solicitation or agreement to locate or 289 otherwise obtain an interest in such unclaimed property does not comply with any other requirement of this subsection. 290 291 (6) Nothing in this section shall be construed to prevent an owner 292 from asserting, at any time, that an agreement to locate or to otherwise 293 obtain an interest in unclaimed property is based upon excessive or unjust consideration. 294 295 Sec. 7. (NEW) (Effective from passage) The Commissioner of Revenue Services and the Treasurer shall enter into an agreement for the 296 297 disclosure of return information, or other relevant information in the 298 commissioner's possession, to the Treasurer to facilitate (1) the

identification of the rightful owner of unclaimed property under part III

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of chapter 32 of the general statutes, and (2) the payment of claims via
electronic deposit or other electronic means. No provision of any such
agreement shall unnecessarily delay or impede the Treasurer's ability to
comply with any requirements for such payment required by law.

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

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

334 the United States, respectively, and when a reciprocal arrangement 335 exists; (4) returns or return information in any action, case or proceeding 336 in any court of competent jurisdiction, when the commissioner or any 337 other state department or agency is a party, and when such information 338 is directly involved in such action, case or proceeding; (5) returns or 339 return information to a taxpayer or its authorized representative, upon 340 written request for a return filed by or return information on such 341 taxpayer; (6) returns or return information to a successor, receiver, 342 trustee, executor, administrator, assignee, guardian or guarantor of a 343 taxpayer, when such person establishes, to the satisfaction of the 344 commissioner, that such person has a material interest which will be 345 affected by information contained in such returns or return information; 346 (7) information to the assessor or an authorized representative of the 347 chief executive officer of a Connecticut municipality, when the 348 information disclosed is limited to (A) a list of real or personal property 349 that is or may be subject to property taxes in such municipality, or (B) a 350 list containing the name of each person who is issued any license, permit 351 or certificate which is required, under the provisions of this title, to be 352 conspicuously displayed and whose address is in such municipality; (8) 353 real estate conveyance tax return information or controlling interest 354 transfer tax return information to the town clerk or an authorized 355 representative of the chief executive officer of a Connecticut 356 municipality to which the information relates; (9) estate tax returns and 357 estate tax return information to the Probate Court Administrator or to 358 the court of probate for the district within which a decedent resided at 359 the date of the decedent's death, or within which the commissioner 360 contends that a decedent resided at the date of the decedent's death or, 361 if a decedent died a nonresident of this state, in the court of probate for 362 the district within which real estate or tangible personal property of the 363 decedent is situated, or within which the commissioner contends that 364 real estate or tangible personal property of the decedent is situated; (10) 365 returns or return information to the (A) Secretary of the Office of Policy 366 and Management for purposes of subsection (b) of section 12-7a, and (B) Office of Fiscal Analysis for purposes of, and subject to the provisions 367 368 of, subdivision (2) of subsection (f) of section 12-7b; (11) return

369 information to the Jury Administrator or Clerk of the United States 370 District Court for the District of Connecticut, when the information 371 disclosed is limited to the names, addresses, federal Social Security 372 numbers and dates of birth, if available, of residents of this state, as 373 defined in subdivision (1) of subsection (a) of section 12-701; (12) returns 374 or return information to any person to the extent necessary in 375 connection with the processing, storage, transmission or reproduction 376 of such returns or return information, and the programming, 377 maintenance, repair, testing or procurement of equipment, or the 378 providing of other services, for purposes of tax administration; (13) 379 without written request and unless the commissioner determines that 380 disclosure would identify a confidential informant or seriously impair a 381 civil or criminal tax investigation, returns and return information which 382 may constitute evidence of a violation of any civil or criminal law of this 383 state or the United States to the extent necessary to apprise the head of 384 such agency or office charged with the responsibility of enforcing such 385 law, in which event the head of such agency or office may disclose such 386 return information to officers and employees of such agency or office to 387 the extent necessary to enforce such law; (14) names and addresses of 388 operators, as defined in section 12-407, to tourism districts, as defined in 389 section 10-397; (15) names of each licensed dealer, as defined in section 390 12-285, and the location of the premises covered by the dealer's license; 391 (16) to a tobacco product manufacturer that places funds into escrow 392 pursuant to the provisions of subsection (a) of section 4-28i, return 393 information of a distributor licensed under the provisions of chapter 214 394 or chapter 214a, provided the information disclosed is limited to 395 information relating to such manufacturer's sales to consumers within 396 this state, whether directly or through a distributor, dealer or similar 397 intermediary or intermediaries, of cigarettes, as defined in section 4-28h, 398 and further provided there is reasonable cause to believe that such 399 manufacturer is not in compliance with section 4-28i; (17) returns or 400 return information to the State Elections Enforcement Commission, 401 upon written request by said commission, when necessary to investigate 402 suspected violations of state election laws; (18) returns or return 403 information for purposes of, and subject to the conditions of, subsection

404	(e) of section 5-240; (19) to the extent allowable under federal law, return
405	information to another state agency or to support a data request
406	submitted through CP20 WIN, established in section 10a-57g, in
407	accordance with the policies and procedures of CP20 WIN for the
408	purposes of evaluation or research, provided the recipient of such data
409	enters into a data sharing agreement pursuant to section 4-67aa if such
410	recipient is not a state agency; [and] (20) return information to the
411	Connecticut Health Insurance Exchange pursuant to section 12-156; and
412	(21) return information to the Treasurer pursuant to an agreement
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413 <u>entered into under section 7 of this act</u>.

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

Statement of Purpose:

To implement the Treasurer's recommendations for changes to the process for claiming unclaimed property, including by adding provisions concerning virtual currency, updating contact methods to include electronic means, requiring executors and administrators to search for unclaimed property prior to finalizing an estate through probate, adding requirements for paid finders of unclaimed property and requiring the Commissioner of Revenue Services to agree to provide certain information to the Treasurer.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]