

## **BILL ANALYSIS**

S.B. 1244  
By: Schwertner  
Trade, Workforce & Economic Development  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The bill sponsor has informed the committee that, as digital assets become increasingly integrated in regular financial activities, it is necessary to update unclaimed property laws to include virtual currency in order to better protect consumer rights and provide regulatory clarity. S.B. 1244 seeks to create a transparent and responsible process for managing virtual currencies that are presumed abandoned, similar to how existing unclaimed property laws currently address the management and reporting of personal property. By doing so, Texas can ensure that rightful owners have a pathway to reclaim their assets, just as they do with traditional financial holdings.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

S.B. 1244 amends the Property Code to replace provisions establishing that the three-year period leading to a presumption of abandonment of stock or another intangible ownership interest in a business association, the existence of which is evidenced by records available to the association, commences on the first date either a sum payable as a result of the ownership interest is unclaimed by the owner or a communication to the owner is returned undelivered by the U.S. Postal Service with provisions establishing that the period leading to a presumption of abandonment of personal property commences on the earlier of the following:

- the date a written or electronic communication to the owner is returned undelivered by the U.S. Postal Service or by electronic mail or other electronic messaging method, as applicable; or
- the last date on which the owner exercised an act of ownership of the property.

Accordingly, the bill replaces the provision establishing that the running of the three-year period of abandonment ceases immediately on the exercise of an act of ownership interest or sum payable or a communication with the association as evidenced by a memorandum or other record on file with the association or its agents with a provision establishing that the running of the period of abandonment ceases immediately on the exercise of an act of ownership interest or a written, oral, or electronic communication with the holder as evidenced by a memorandum or other record on file with the holder or the holder's agents. The bill also changes the provision establishing that at the time an ownership is presumed abandoned, any sum then held for interest or owing to the owner as a result of the interest and not previously presumed abandoned is presumed abandoned to instead establish that at the time property is presumed abandoned, any

sum then held for interest or owing to the owner as a result of the ownership interest in the property and not previously presumed abandoned is presumed abandoned.

S.B. 1244 requires the holder of property presumed abandoned that is virtual currency, if the holder has full control of the necessary private keys required to transfer the virtual currency, to report the property as required under applicable state law and, at the direction of the comptroller, deliver the property in its native form to either the comptroller or the comptroller's designated custodian. The bill establishes that if the property that is presumed abandoned is virtual currency and the holder does not have full control of the necessary private keys required to transfer the property or possesses only a partial private key to the virtual currency, the holder is not required to report and deliver the property to the comptroller. The bill authorizes the comptroller to contract with one or more qualified custodians as necessary for the management and safekeeping of virtual currency delivered to the comptroller and to hold such virtual currency outside the state treasury. The bill authorizes the comptroller, after liquidating virtual currency held outside the treasury, to pay the reasonable and necessary expenses for the holding and liquidation of the currency from the proceeds of the sale and requires the comptroller to deposit the net proceeds of the sale in the state treasury in accordance with statutory provisions relating to unclaimed money.

S.B. 1244 prohibits the comptroller from selling a virtual currency listed on an established exchange for less than the price prevailing on the exchange at the time of sale and authorizes the comptroller to sell a virtual currency not listed on an established exchange by any commercially reasonable method.

S.B. 1244 establishes that for purposes of provisions relating to the report, delivery, and claims process for unclaimed property, "virtual currency" has the meaning assigned to that term under Business & Commerce Code provisions governing virtual currency.

#### **EFFECTIVE DATE**

September 1, 2025.