

BILL ANALYSIS

Senate Research Center
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S.B. 1244
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

As digital assets become increasingly integrated in regular financial activities, it is necessary to update unclaimed property laws to include "virtual currency" in the definition of abandoned property in order to better protect consumers rights and provide regulatory clarity.

S.B. 1244 would create a transparent and responsible process for managing virtual currencies that are presumed abandoned, much like 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.

As proposed, S.B. 1244 amends current law relating to unclaimed securities and virtual currency that are presumed abandoned.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 72, Property Code, by adding Section 72.02, as follows:

Sec. 72.002. DEFINITIONS. Defines "security" and "vital currency."

SECTION 2. Amends Section 72.101(b), Property Code, as follows:

(b)(1) Provides that the three-year period leading to a presumption of abandonment of a security or virtual currency commences on the first date that a written or electronic communication to the owner is returned undelivered by the United States Postal Service or by electronic mail or other electronic messaging method, as applicable.

Deletes existing text providing 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 that 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 United States Postal Service.

(2) Provides that the running of the three-year period of abandonment ceases immediately on the exercise of an act of ownership interest in the security or virtual currency or a written, oral, or electronic communication with the holder, rather than association, as evidenced by a memorandum or other record on file with the holder or the holder's agents. Makes conforming and nonsubstantive changes.

(3) Provides that, at the time a security or virtual currency, rather than an ownership, is presumed abandoned under Section 72.101 (Personal Property

Presumed Abandoned), any sum then held for interest or owing to the owner as a result of the security or virtual currency, rather than interest, and not previously presumed abandoned is presumed abandoned.

(4) Provides that, for purposes of this section, an exercise of an act of ownership interest with respect to a security or virtual currency includes an owner:

(A) conducting a transaction regarding the security or virtual currency or the account in which the security or virtual currency is held, including depositing funds into or withdrawing funds from the account by a one-time transaction or a recurring transaction previously authorized by the owner other than an automatic reinvestment of dividends or interest;

(B) electronically accessing the account in which the security or virtual currency is held;

(C) conducting any activity with respect to another account owned by the owner with the same holder; and

(D) taking any other action that reasonably demonstrates to the holder that the owner knows that the property exists.

Deletes existing text providing that any stock or other intangible ownership interest enrolled in a plan that provides for the automatic reinvestment of dividends, distributions, or other sums payable as a result of the ownership interest is subject to the presumption of abandonment as provided by this section.

SECTION 3. Amends Section 74.301, Property Code, by amending Subsection (a) and adding Subsections (d) and (e), as follows:

(a) Creates an exception under Subsection (d).

(d) Requires a property holder, if the property subject to delivery under Subsection (a) (relating to the delivery of property to which Chapter 74 (Report, Delivery, and Claims Process) applies) are digital assets, cryptocurrency, or other tradeable virtual currency redeemable for fiat currency and the holder has full control of the necessary private keys required to transfer the virtual currency, to report and, before the 30th day after the reporting date, deliver the virtual currency in its native form at the direction of the Comptroller of Public Accounts of the State of Texas (comptroller) to either the comptroller's designated custodian or an in-house account at the holder established by and for the comptroller. Requires the holder to provide the comptroller with proof of delivery with the report required to be filed under Section 74.101. Requires the holder, if the holder possesses only a partial private key to the virtual currency subject to delivery under Subsection (a) and is unable to move the virtual currency, to maintain the virtual currency until the additional keys required to transfer the asset become available and file the report as required by Section 74.101. Requires the holder, for property that is not considered transferable or reportable to the state under this subsection, to send paper or electronic mail notices using the last known address of the owner, if available, at least once each year in an attempt to reunite the owner with the owner's assets.

(e) Defines "virtual currency."

SECTION 4. Amends Section 74.405, Property Code, by amending Subsection (b) and adding Subsection (c), as follows:

(b) Prohibits the comptroller from selling a security listed on an established stock exchange or virtual currency listed on a virtual currency exchange for less than the price prevailing on the applicable exchange at the time of sale. Makes a conforming change.

(c) Defines "security" and "virtual currency."

SECTION 5. Effective date: September 1, 2025.