

BILL ANALYSIS

Senate Research Center
89R14650 ATP-F

C.S.S.B. 1244
By: Schwertner
Business & Commerce
4/8/2025
Committee Report (Substituted)

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.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 1244 amends current law relating to unclaimed personal property, including virtual currency.

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 Section 72.101(b), Property Code, as follows:

(b)(1) Provides that the period leading to a presumption of abandonment commences on the earlier of the 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, or the last date on which the owner exercised an act of ownership of the property.

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. Makes nonsubstantive changes.

(2) Provides 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, rather than the association, or the holder's agents. Makes conforming and nonsubstantive changes.

(3) Provides that, at the time property, 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 ownership

interest in the property, rather than interest, and not previously presumed abandoned is presumed abandoned.

(4) Makes no changes to this subdivision.

SECTION 2. Amends the heading to Subchapter A, Chapter 74, Property Code, to read as follows:

SUBCHAPTER A. GENERAL PROVISIONS

SECTION 3. Amends Subchapter A, Chapter 74, Property Code, by adding Section 74.002, as follows:

Sec. 74.002. DEFINITION. Defines "virtual currency."

SECTION 4. Amends Subchapter D, Chapter 74, Property Code, by adding Section 74.3014, as follows:

Sec. 74.3014. REPORT AND DELIVERY OF VIRTUAL CURRENCY; DISPOSITION. (a) Requires a property holder, if the property that is presumed abandoned under Section 72.101 is virtual currency and the holder has full control of the necessary private keys required to transfer the virtual currency, to report the property as required under Section 74.101 (Property Report) and, at the direction of the Comptroller of Public Accounts of the State of Texas (comptroller), deliver the property in its native form to either the comptroller or the comptroller's designated custodian.

(b) Provides that, if the property that is presumed abandoned under Section 72.101 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.

(c) 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 under this section.

(d) Authorizes the comptroller to hold property delivered to the comptroller under this section outside the state treasury.

(e) Authorizes the comptroller, after liquidating virtual currency held outside the treasury under Subsection (d), to pay the reasonable and necessary expenses for the holding and liquidation of the virtual 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 Section 74.601 (Unclaimed Money).

SECTION 5. Amends Section 74.405(b), Property Code, as follows:

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

SECTION 6. Effective date: September 1, 2025.