LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 9, 2025

TO: Honorable Charles Schwertner, Chair, Senate Committee on Business & Commerce

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **SB1244** by Schwertner (relating to unclaimed personal property, including virtual currency.), **Committee Report 1st House, Substituted**

Passage of the bill would establish a process for the delivery of abandoned virtual currency to the state and subsequent sale of the abandoned virtual currency. The incidence of abandonment of virtual currency and any associated transactions that could occur (including any burden on the state of holding such an asset) are unknown. Therefore, the fiscal impact to the state cannot be estimated.

The bill would amend Chapter 72 of the Property Code to provide that the abandonment period begins on the earlier of when a written or electronic communication to the owner is returned undelivered by electronic mail or electronic messaging, or the last date on which the owner exercised an act of ownership of the property.

The bill would remove references to “association” (a business association) and replaces it with “holder,” as well as replace “interest” with “ownership interest in the property.”

The bill would amend Chapter 74 of the Property Code regarding reporting and delivery responsibilities concerning virtual currency. The bill would require that if abandoned property is virtual currency and the holder has full control of the private keys, the holder must report it and deliver it in its native form to the Comptroller or its designated custodian. If the holder does not have full control of the private keys or only has partial access, the holder would not be required to report or deliver the virtual currency.

The Comptroller could contract with a qualified custodian for safekeeping and management of virtual currency. The Comptroller could hold virtual currency outside of the state treasury. After selling the virtual currency held outside the state treasury, the Comptroller could deduct reasonable holding and liquidation expenses from the sale proceeds and would be required to deposit the net proceeds into the state treasury in accordance with Section 74.601 of the Property Code.

The bill would prohibit the Comptroller from selling a virtual currency listed on an established exchange for less than the market price. If the virtual currency is not listed on an established exchange, the Comptroller would follow commercially reasonable methods to sell the asset. The bill would update the reference “established stock exchange” to “established exchange” by removing the term “stock.”

The incidence of abandonment of virtual currency and any associated transactions that could occur (including any burden on the state of holding such an asset) are unknown. The fiscal impact to the state cannot be estimated.

According to the Comptroller of Public Accounts, the agency would likely incur an administrative cost associated with implementing this legislation. The bill allows for the Comptroller's office to pay reasonable and necessary expenses related to administering the program. The Comptroller's office interprets that provision to allow it to use existing appropriation authority established in the Comptroller Fiscal Program bill pattern of the General Appropriations Act to administer the program. The Comptroller's administrative costs cannot be estimated at this time.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, RStu, SD, BRI