



This Week in State Tax (TWIST)

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Connecticut: Unclaimed Property Modifications Enacted

On June 4, 2024, Connecticut Governor Ned Lamont signed Senate Bill 393 into law, which makes several changes to unclaimed property compliance requirements. These modifications encompass new owner notification requirements and specific provisions for the treatment of unclaimed virtual currency. The bill becomes effective on July 1, 2024.

Due Diligence Outreach Timing, Methods and Content Parameters Revised: Like most state unclaimed property laws, Connecticut's unclaimed property statute requires that businesses holding unclaimed property (holders) must notify the owner (due diligence) before reporting the property to the state. Under the newly enacted legislation, this notification process must be initiated at least 180 days prior to reporting for wage-related property and utility deposits.

The legislation further details the due diligence process. Holders must undertake reasonable measures to prevent presuming abandonment. They are required, "at a minimum," to send a notice via first-class mail to the owner's last known address, and if the owner has consented to email communication, an email notice should also be sent to the owner's last known email address. The new legislation has also expanded the content requirements for the notice. If the property is a security, virtual currency, or tangible property from a safe deposit box, the notice must inform that the property may be liquidated either before or after being reported to the Treasurer. Furthermore, the notice must state that following liquidation, an owner's claim will be limited to the liquidation proceeds.

Report Content Requirements Modified: TSenate Bill 393 mandates that holders not only report the physical address of the owner but also the owner's email address and telephone number, if any.

Virtual Currency Covered and Requirements Established: Consistent with the trend of states adopting specific unclaimed property provisions for virtual currency, Senate Bill 393 includes virtual currency in the definition of "property." The bill also defines virtual currency by referencing another section of Connecticut law. In addition, the bill stipulates that if the owner has not accessed the secure system holding the virtual currency for three years, the property is presumed abandoned.

Liquidation of Safe Deposit Contents and Virtual Currency Pinpointed: Virtual currency and the contents of safe deposit boxes must be sold, and the net proceeds delivered to the Treasurer within 30 days of filing the required report. However, the statute allows the holder to deduct lawful charges such as storage, appraisal, advertising, and sales commissions. For safe deposit boxes, any charges owed under the rental contract also can be deducted.

Conclusion: The modifications to the Connecticut unclaimed property law may impact a holder's due diligence, reporting and remittance practices and overall compliance policies and procedures. For more information about the revisions and the potential impacts for your organization's compliance, please contact [Will King](#), [Marion Acord](#), or [Ryan Hagerty](#) with KPMG's National Unclaimed Property Team.

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