



General Assembly

January Session, 2025

Raised Bill No. 6990

LCO No. 5018



Referred to Committee on BANKING

Introduced by:
(BA)

***AN ACT CONCERNING THE SEIZURE AND FORFEITURE OF DIGITAL
WALLETS AND VIRTUAL CURRENCY.***

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Subsection (a) of section 54-36a of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective October*
3 *1, 2025*):

4 (a) As used in this section, sections 53-278c and 54-36c: (1)
5 "Contraband" means any property, the possession of which is
6 prohibited by any provision of the general statutes; (2) ["stolen
7 property" shall include, but not be limited to, cash or the proceeds from
8 the sale of such property obtained by theft or other illegal means; (3)]
9 "digital wallet" means any electronic or digital functionality that (A)
10 stores account or payment credentials for a consumer, including, but not
11 limited to, in encrypted or tokenized form, and (B) transmits, routes or
12 otherwise processes such stored account or payment credentials to
13 facilitate a consumer payment transaction; (3) "owner" means a person
14 or persons entitled to seized property as a matter of law or fact; (4)
15 "property" includes, but is not limited to, digital wallets and virtual

16 currency; (5) "stolen property" includes, but is not limited to, cash,
17 digital wallets, virtual currency or the proceeds from the sale of such
18 property obtained by theft or other illegal means; and (6) "virtual
19 currency" has the same meaning as provided in section 36a-596.

20 Sec. 2. Section 54-36h of the general statutes is repealed and the
21 following is substituted in lieu thereof (*Effective October 1, 2025*):

22 (a) As used in this section, (1) "digital wallet" means any electronic or
23 digital functionality that (A) stores account or payment credentials for a
24 consumer, including, but not limited to, in encrypted or tokenized form,
25 and (B) transmits, routes or otherwise processes such stored account or
26 payment credentials to facilitate a consumer payment transaction; (2)
27 "property" includes, but is not limited to, digital wallets and virtual
28 currency; and (3) "virtual currency" has the same meaning as provided
29 in section 36a-596.

30 (b) The following property shall be subject to forfeiture to the state
31 pursuant to subsection [(b)] (c) of this section:

32 (1) All moneys used, or intended for use, in the procurement,
33 manufacture, compounding, processing, delivery or distribution of any
34 controlled substance, as defined in section 21a-240;

35 (2) All property constituting the proceeds obtained, directly or
36 indirectly, from any sale or exchange of any such controlled substance
37 in violation of section 21a-277 or 21a-278;

38 (3) All property derived from the proceeds obtained, directly or
39 indirectly, from any sale or exchange for pecuniary gain of any such
40 controlled substance in violation of section 21a-277 or 21a-278;

41 (4) All property used or intended for use, in any manner or part, to
42 commit or facilitate the commission of a violation for pecuniary gain of
43 section 21a-277 or 21a-278;

44 (5) All property constituting, or derived from, the proceeds obtained,

45 directly or indirectly, by a corporation as a result of a violation of section
46 53a-276, 53a-277 or 53a-278.

47 ~~[(b)]~~ (c) Not later than ninety days after the seizure of moneys or
48 property subject to forfeiture pursuant to subsection ~~[(a)]~~ (b) of this
49 section, in connection with a lawful criminal arrest or a lawful search
50 that results in an arrest, the Chief State's Attorney or a deputy chief
51 state's attorney, state's attorney or assistant or deputy assistant state's
52 attorney may petition the court in the nature of a proceeding in rem to
53 order forfeiture of said moneys or property. Such proceeding shall be
54 deemed a civil suit in equity, in which the state shall have the burden of
55 proving all material facts by clear and convincing evidence. The court
56 shall identify the owner of said moneys or property and any other
57 person as appears to have an interest therein, and order the state to give
58 notice to such owner and any interested person by certified or registered
59 mail. No testimony offered or evidence produced by such owner or
60 interested person at such hearing and no evidence discovered as a result
61 of or otherwise derived from such testimony or evidence, may be used
62 against such owner or interested person in any proceeding, except that
63 no such owner or interested person shall be immune from prosecution
64 for perjury or contempt committed while giving such testimony or
65 producing such evidence. At such hearing the court shall hear evidence
66 and make findings of fact and enter conclusions of law and shall issue a
67 final order, from which the parties shall have such right of appeal as
68 from a decree in equity.

69 ~~[(c)]~~ (d) The court shall hold a hearing on the petition filed pursuant
70 to subsection ~~[(a)]~~ (b) of this section not more than two weeks after the
71 criminal proceeding that occurred as a result of the arrest has been
72 nolle, dismissed or otherwise disposed of. The court shall deny the
73 petition and return the property to the owner if the criminal proceeding
74 does not result in (1) a plea of guilty or nolo contendere to any offense
75 charged in the same criminal information, (2) a guilty verdict after trial
76 to a forfeiture-eligible offense for which the property was possessed,
77 controlled, designed or intended for use, or which was or had been used

78 as a means of committing such offense, or which constitutes the
79 proceeds of the commission of such offense, or (3) a dismissal resulting
80 from the completion of a pretrial diversionary program.

81 ~~[(d)]~~ (e) No property shall be forfeited under this section to the extent
82 of the interest of an owner or lienholder by reason of any act or omission
83 committed by another person if such owner or lienholder did not know
84 and could not have reasonably known that such property was being
85 used or was intended to be used in, or was derived from, criminal
86 activity.

87 ~~[(e)]~~ (f) Notwithstanding the provisions of subsection ~~[(a)]~~ (b) of this
88 section, no moneys or property used or intended to be used by the
89 owner thereof to pay legitimate attorney's fees in connection with his
90 defense in a criminal prosecution shall be subject to forfeiture under this
91 section.

92 ~~[(f)]~~ (g) Any property ordered forfeited pursuant to subsection ~~[(b)]~~
93 (c) of this section shall be sold at public auction conducted by the
94 Commissioner of Administrative Services or his designee.

95 ~~[(g)]~~ (h) The proceeds from any sale of property under subsection ~~[(f)]~~
96 (g) of this section and any moneys forfeited under this section shall be
97 applied: (1) To payment of the balance due on any lien preserved by the
98 court in the forfeiture proceedings; (2) to payment of any costs incurred
99 for the storage, maintenance, security and forfeiture of such property;
100 and (3) to payment of court costs. The balance, if any, shall be deposited
101 in the drug assets forfeiture revolving account established under section
102 54-36i.

103 Sec. 3. Section 54-36o of the general statutes is repealed and the
104 following is substituted in lieu thereof (*Effective October 1, 2025*):

105 (a) As used in this section, (1) "digital wallet" means any electronic or
106 digital functionality that (A) stores account or payment credentials for a
107 consumer, including, but not limited to, in encrypted or tokenized form,

108 and (B) transmits, routes or otherwise processes such stored account or
109 payment credentials to facilitate a consumer payment transaction; (2)
110 "property" includes, but is not limited to, digital wallets and virtual
111 currency; and (3) "virtual currency" has the same meaning as provided
112 in section 36a-596.

113 (b) All property constituting, or derived from, the proceeds obtained,
114 directly or indirectly, by a person as a result of a violation of section 53a-
115 129a of the general statutes, revision of 1958, revised to January 1, 2003,
116 or section 53a-127g, 53a-129b, 53a-129c, 53a-129d, 53a-129e, 53a-130, 21-
117 120 or 21-121 shall be subject to forfeiture to the state pursuant to
118 subsection [(b)] (c) of this section.

119 [(b)] (c) Not later than ninety days after the seizure of property subject
120 to forfeiture pursuant to subsection [(a)] (b) of this section, in connection
121 with a lawful arrest or a lawful search that results in an arrest, the Chief
122 State's Attorney or a deputy chief state's attorney, state's attorney or
123 assistant or deputy assistant state's attorney may petition the court in
124 the nature of a proceeding in rem to order forfeiture of said moneys or
125 property. Such proceeding shall be deemed a civil suit in equity, in
126 which the state shall have the burden of proving all material facts by
127 clear and convincing evidence. The court shall identify the owner of
128 such property and any other person as appears to have an interest
129 therein, and order the state to give notice to such owner and any
130 interested person by certified or registered mail. No testimony offered
131 or evidence produced by such owner or interested person at such
132 hearing and no evidence discovered as a result of or otherwise derived
133 from such testimony or evidence, may be used against such owner or
134 interested person in any proceeding, except that no such owner or
135 interested person shall be immune from prosecution for perjury or
136 contempt committed while giving such testimony or producing such
137 evidence. At such hearing the court shall hear evidence and make
138 findings of fact and enter conclusions of law and shall issue a final order,
139 from which the parties shall have such right of appeal as from a decree
140 in equity.

141 ~~[(c)]~~ (d) The court shall hold a hearing on the petition filed pursuant
142 to subsection ~~[(a)]~~ (b) of this section not more than two weeks after the
143 criminal proceeding that occurred as a result of the arrest has been
144 nolle, dismissed or otherwise disposed of. The court shall deny the
145 petition and return the property to the owner if the criminal proceeding
146 does not result in (1) a plea of guilty or nolo contendere to any offense
147 charged in the same criminal information, (2) a guilty verdict after trial
148 to a forfeiture-eligible offense for which the property was possessed,
149 controlled, designed or intended for use, or which was or had been used
150 as a means of committing such offense, or which constitutes the
151 proceeds of the commission of such offense, or (3) a dismissal resulting
152 from the completion of a pretrial diversionary program.

153 ~~[(d)]~~ (e) No property shall be forfeited under this section to the extent
154 of the interest of an owner or lienholder by reason of any act or omission
155 committed by another person if such owner or lienholder did not know
156 and could not have reasonably known that such property was being
157 used or was intended to be used in, or was derived from, criminal
158 activity.

159 ~~[(e)]~~ (f) Notwithstanding the provisions of subsection ~~[(a)]~~ (b) of this
160 section, no property used or intended to be used by the owner thereof
161 to pay legitimate attorney's fees in connection with his defense in a
162 criminal prosecution shall be subject to forfeiture under this section.

163 ~~[(f)]~~ (g) Any property ordered forfeited pursuant to subsection ~~[(b)]~~
164 (c) of this section shall be sold at public auction conducted by the
165 Commissioner of Administrative Services.

166 ~~[(g)]~~ (h) The proceeds from any sale of property under subsection ~~[(f)]~~
167 (g) of this section shall be applied: (1) To payment of the balance due on
168 any lien preserved by the court in the forfeiture proceedings; (2) to
169 payment of any costs incurred for the storage, maintenance, security
170 and forfeiture of such property; and (3) to payment of court costs. The
171 balance, if any, shall be deposited in the privacy protection guaranty

172 and enforcement account established under section 42-472a.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>October 1, 2025</i>	54-36a(a)
Sec. 2	<i>October 1, 2025</i>	54-36h
Sec. 3	<i>October 1, 2025</i>	54-36o

Statement of Purpose:

To specify that digital wallets and virtual currency are included in the term "property" as such term is used in various statutes concerning the seizure and forfeiture of property.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]