



General Assembly

January Session, 2025

**Substitute Bill No. 6990**



**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2 repealed and the following is substituted in lieu thereof (*Effective October*  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 Section 54-36h of the general statutes is repealed and the  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 ~~[(a)]~~ (b) The following property shall be subject to forfeiture to the  
31 state 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; and

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 54-360 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 [(a)] (b) All property constituting, or derived from, the proceeds  
114 obtained, directly or indirectly, by a person as a result of a violation of

115 section 53a-129a of the general statutes, revision of 1958, revised to  
116 January 1, 2003, or section 53a-127g, 53a-129b, 53a-129c, 53a-129d, 53a-  
117 129e, 53a-130, 21-120 or 21-121 shall be subject to forfeiture to the state  
118 pursuant to 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:		
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

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

***BA***      *Joint Favorable Subst. -LCO*

***JUD***      *Joint Favorable*