



General Assembly

Amendment

January Session, 2025

LCO No. 8121



Offered by:

REP. DOUCETTE, 13th Dist.

REP. DELNICKI, 14th Dist.

REP. FOSTER, 57th Dist.

To: Subst. House Bill No. **6990**

File No. 270

Cal. No. 193

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

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective July 1, 2026*) (a) As used in this section, (1)
4 "property" includes, but is not limited to, virtual currency and virtual
5 currency wallets; (2) "virtual currency" has the same meaning as
6 provided in section 36a-596 of the general statutes; (3) "virtual currency
7 kiosk" has the same meaning as provided in section 36a-596 of the
8 general statutes; and (4) "virtual currency wallet" has the same meaning
9 as provided in section 36a-596 of the general statutes.

10 (b) The following property shall be subject to forfeiture to the state
11 pursuant to subsection (c) of this section:

12 (1) All virtual currency possessed, controlled, designed or used as a

13 means of committing a violation of section 53a-122, 53a-123, 53a-124,
14 53a-125, 53a-125a or 53a-125b of the general statutes, or that constitutes
15 the proceeds of the commission of a violation of section 53a-122, 53a-
16 123, 53a-124, 53a-125, 53a-125a or 53a-125b of the general statutes; and

17 (2) All virtual currency wallets, including the contents thereof, even
18 if such contents are commingled with other property, that are possessed,
19 controlled, designed or used as a means of committing a violation of
20 section 53a-122, 53a-123, 53a-124, 53a-125, 53a-125a or 53a-125b of the
21 general statutes, or that constitute the proceeds of the commission of a
22 violation of section 53a-122, 53a-123, 53a-124, 53a-125, 53a-125a or 53a-
23 125b of the general statutes.

24 (c) Not later than ninety days after the seizure of virtual currency or
25 a virtual currency wallet subject to forfeiture pursuant to subsection (b)
26 of this section, in connection with a lawful criminal arrest or a lawful
27 search, the Chief State's Attorney or a deputy chief state's attorney,
28 state's attorney or assistant or deputy assistant state's attorney may
29 petition the court in the nature of a proceeding in rem to order forfeiture
30 of such virtual currency or virtual currency wallet. Such forfeiture
31 proceeding shall be deemed a civil suit in equity, in which the state shall
32 have the burden of proving all material facts by clear and convincing
33 evidence. The court shall identify the owner of such virtual currency or
34 virtual currency wallet and any other person who appears to have an
35 interest therein, and order the state to give notice to such owner and any
36 interested person by certified or registered mail or, if the Chief State's
37 Attorney or a deputy chief state's attorney, state's attorney or assistant
38 or deputy assistant state's attorney demonstrates that notice by other
39 means, including, but not limited to, electronic means, would be
40 sufficient and appropriate under the circumstances, by such other
41 means. The court shall promptly, but not less than two weeks after such
42 notice has been given, hold a hearing on the petition. No testimony
43 offered or evidence produced by such owner or interested person at
44 such hearing, and no evidence discovered as a result of or otherwise
45 derived from such testimony or evidence, may be used against such

46 owner or interested person in any proceeding, except that no such
47 owner or interested person shall be immune from prosecution for
48 perjury or contempt committed while giving such testimony or
49 producing such evidence. At such hearing, the court shall hear evidence,
50 make findings of fact, enter conclusions of law and issue a final order
51 from which the parties shall have such right of appeal as from a decree
52 in equity.

53 (d) No property shall be forfeited under this section to the extent of
54 the interest of an owner or lienholder by reason of any act or omission
55 committed by another person if such owner or lienholder did not know
56 and could not have reasonably known that such property was being
57 used or was intended to be used in, or was derived from, criminal
58 activity.

59 (e) Notwithstanding the provisions of subsection (b) of this section,
60 no property used or intended to be used by the owner thereof to pay
61 legitimate attorney's fees in connection with such owner's defense in a
62 criminal prosecution shall be subject to forfeiture under this section.

63 (f) Any property forfeited under this section shall be used to
64 compensate the victims who suffer a pecuniary loss as a result of the
65 violation of section 53a-122, 53a-123, 53a-124, 53a-125, 53a-125a or 53a-
66 125b of the general statutes that gives rise to the forfeiture of such
67 property.

68 (g) Nothing in this section shall be construed as authorizing the
69 seizure or forfeiture of a virtual currency kiosk.

70 Sec. 2. Subsection (a) of section 54-36a of the general statutes is
71 repealed and the following is substituted in lieu thereof (*Effective July 1,*
72 *2026*):

73 (a) As used in this section, sections 53-278c and 54-36c: (1)
74 "Contraband" means any property, the possession of which is
75 prohibited by any provision of the general statutes; (2) ["stolen
76 property" shall include, but not be limited to, cash or the proceeds from

77 the sale of such property obtained by theft or other illegal means; (3)]
78 "owner" means a person or persons entitled to seized property as a
79 matter of law or fact; (3) "property" includes, but is not limited to, virtual
80 currency and virtual currency wallets; (4) "stolen property" includes, but
81 is not limited to, cash, virtual currency, virtual currency wallets or the
82 proceeds from the sale of such property obtained by theft or other illegal
83 means; (5) "virtual currency" has the same meaning as provided in
84 section 36a-596; and (6) "virtual currency wallet" has the same meaning
85 as provided in section 36a-596.

86 Sec. 3. Section 54-36h of the general statutes is repealed and the
87 following is substituted in lieu thereof (*Effective July 1, 2026*):

88 (a) As used in this section, (1) "property" includes, but is not limited
89 to, virtual currency and virtual currency wallets; (2) "virtual currency"
90 has the same meaning as provided in section 36a-596; and (3) "virtual
91 currency wallet" has the same meaning as provided in section 36a-596.

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

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

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

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

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

106 (5) All property constituting, or derived from, the proceeds obtained,
107 directly or indirectly, by a corporation as a result of a violation of section
108 53a-276, 53a-277 or 53a-278.

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

136 ~~[(c)]~~ (d) The court shall hold a hearing on the petition filed pursuant
137 to subsection ~~[(a)]~~ (c) of this section not more than two weeks after the
138 criminal proceeding that occurred as a result of the arrest has been

139 nulled, dismissed or otherwise disposed of. The court shall deny the
140 petition and return the property to the owner if the criminal proceeding
141 does not result in (1) a plea of guilty or nolo contendere to any offense
142 charged in the same criminal information, (2) a guilty verdict after trial
143 to a forfeiture-eligible offense for which the property was possessed,
144 controlled, designed or intended for use, or which was or had been used
145 as a means of committing such offense, or which constitutes the
146 proceeds of the commission of such offense, or (3) a dismissal resulting
147 from the completion of a pretrial diversionary program.

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

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

159 ~~[(f)]~~ (g) Any property ordered forfeited pursuant to subsection ~~[(b)]~~
160 (c) of this section shall be sold at public auction conducted by the
161 Commissioner of Administrative Services or ~~[his]~~ the commissioner's
162 designee.

163 ~~[(g)]~~ (h) The proceeds from any sale of property under subsection ~~[(f)]~~
164 (g) of this section and any moneys forfeited under this section shall be
165 applied: (1) To payment of the balance due on any lien preserved by the
166 court in the forfeiture proceedings; (2) to payment of any costs incurred
167 for the storage, maintenance, security and forfeiture of such property;
168 and (3) to payment of court costs. The balance, if any, shall be deposited
169 in the drug assets forfeiture revolving account established under section
170 54-36i.

171 Sec. 4. Section 54-360 of the general statutes is repealed and the
172 following is substituted in lieu thereof (*Effective July 1, 2026*):

173 (a) As used in this section, (1) "property" includes, but is not limited
174 to, virtual currency and virtual currency wallets; (2) "virtual currency"
175 has the same meaning as provided in section 36a-596; and (3) "virtual
176 currency wallet" has the same meaning as provided in section 36a-596.

177 ~~[(a)]~~ (b) All property constituting, or derived from, the proceeds
178 obtained, directly or indirectly, by a person as a result of a violation of
179 section 53a-129a of the general statutes, revision of 1958, revised to
180 January 1, 2003, or section 53a-127g, 53a-129b, 53a-129c, 53a-129d, 53a-
181 129e, 53a-130, 21-120 or 21-121 shall be subject to forfeiture to the state
182 pursuant to subsection ~~[(b)]~~ (c) of this section.

183 ~~[(b)]~~ (c) Not later than ninety days after the seizure of property subject
184 to forfeiture pursuant to subsection ~~[(a)]~~ (b) of this section, in connection
185 with a lawful arrest or a lawful search that results in an arrest, the Chief
186 State's Attorney or a deputy chief state's attorney, state's attorney or
187 assistant or deputy assistant state's attorney may petition the court in
188 the nature of a proceeding in rem to order forfeiture of said moneys or
189 property. Such proceeding shall be deemed a civil suit in equity, in
190 which the state shall have the burden of proving all material facts by
191 clear and convincing evidence. The court shall identify the owner of
192 such property and any other person as appears to have an interest
193 therein, and order the state to give notice to such owner and any
194 interested person by certified or registered mail or, if the property seized
195 is virtual currency or a virtual currency wallet and the Chief State's
196 Attorney or a deputy chief state's attorney, state's attorney or assistant
197 or deputy assistant state's attorney demonstrates that notice by other
198 means, including, but not limited to, electronic means, would be
199 sufficient and appropriate under the circumstances, by such other
200 means. No testimony offered or evidence produced by such owner or
201 interested person at such hearing and no evidence discovered as a result
202 of or otherwise derived from such testimony or evidence, may be used
203 against such owner or interested person in any proceeding, except that

204 no such owner or interested person shall be immune from prosecution
205 for perjury or contempt committed while giving such testimony or
206 producing such evidence. At such hearing the court shall hear evidence
207 and make findings of fact and enter conclusions of law and shall issue a
208 final order, from which the parties shall have such right of appeal as
209 from a decree in equity.

210 [(c)] (d) The court shall hold a hearing on the petition filed pursuant
211 to subsection [(a)] (c) of this section not more than two weeks after the
212 criminal proceeding that occurred as a result of the arrest has been
213 nolle, dismissed or otherwise disposed of. The court shall deny the
214 petition and return the property to the owner if the criminal proceeding
215 does not result in (1) a plea of guilty or nolo contendere to any offense
216 charged in the same criminal information, (2) a guilty verdict after trial
217 to a forfeiture-eligible offense for which the property was possessed,
218 controlled, designed or intended for use, or which was or had been used
219 as a means of committing such offense, or which constitutes the
220 proceeds of the commission of such offense, or (3) a dismissal resulting
221 from the completion of a pretrial diversionary program.

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

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

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

236 ~~[(g)]~~ (h) The proceeds from any sale of property under subsection ~~[(f)]~~
237 ~~(g)~~ of this section shall be applied: (1) To payment of the balance due on
238 any lien preserved by the court in the forfeiture proceedings; (2) to
239 payment of any costs incurred for the storage, maintenance, security
240 and forfeiture of such property; and (3) to payment of court costs. The
241 balance, if any, shall be deposited in the privacy protection guaranty
242 and enforcement account established under section 42-472a.

243 Sec. 5. Section 54-36p of the general statutes is repealed and the
244 following is substituted in lieu thereof (*Effective July 1, 2026*):

245 (a) As used in this section, (1) "property" includes, but is not limited
246 to, virtual currency and virtual currency wallets; (2) "virtual currency"
247 has the same meaning as provided in section 36a-596; and (3) "virtual
248 currency wallet" has the same meaning as provided in section 36a-596.

249 ~~[(a)]~~ (b) The following property shall be subject to forfeiture to the
250 state pursuant to subsection ~~[(b)]~~ (c) of this section:

251 (1) All moneys used, or intended for use, in a violation of subdivision
252 (3) of subsection (a) of section 53-21 or section 53a-86, 53a-87, 53a-88,
253 53a-90a, 53a-189a, 53a-189b, 53a-192a, 53a-196a, 53a-196b, 53a-196c or
254 53a-196i;

255 (2) All property constituting the proceeds obtained, directly or
256 indirectly, from a violation of subdivision (3) of subsection (a) of section
257 53-21 or section 53a-86, 53a-87, 53a-88, 53a-90a, 53a-189a, 53a-189b, 53a-
258 192a, 53a-196a, 53a-196b, 53a-196c or 53a-196i;

259 (3) All property derived from the proceeds obtained, directly or
260 indirectly, from a violation of subdivision (3) of subsection (a) of section
261 53-21 or section 53a-86, 53a-87, 53a-88, 53a-90a, 53a-189a, 53a-189b, 53a-
262 192a, 53a-196a, 53a-196b, 53a-196c or 53a-196i; and

263 (4) All property used or intended for use, in any manner or part, to
264 commit or facilitate the commission of a violation of subdivision (3) of
265 subsection (a) of section 53-21 or section 53a-83, 53a-86, 53a-87, 53a-88,

266 53a-90a, 53a-189a, 53a-189b, 53a-192a, 53a-196a, 53a-196b, 53a-196c or
267 53a-196i.

268 [(b)] (c) Not later than ninety days after the seizure of moneys or
269 property subject to forfeiture pursuant to subsection [(a)] (b) of this
270 section, in connection with a lawful criminal arrest or a lawful search
271 that results in an arrest, the Chief State's Attorney or a deputy chief
272 state's attorney, state's attorney or assistant or deputy assistant state's
273 attorney may petition the court in the nature of a proceeding in rem to
274 order forfeiture of such moneys or property. Such proceeding shall be
275 deemed a civil suit in equity in which the state shall have the burden of
276 proving all material facts by clear and convincing evidence. The court
277 shall identify the owner of such moneys or property and any other
278 person as appears to have an interest therein, and order the state to give
279 notice to such owner and any interested person, including any victim of
280 the crime with respect to which such moneys or property were seized,
281 by certified or registered mail or, if the property seized is virtual
282 currency or a virtual currency wallet and the Chief State's Attorney or a
283 deputy chief state's attorney, state's attorney or assistant or deputy
284 assistant state's attorney demonstrates that notice by other means,
285 including, but not limited to, electronic means, would be sufficient and
286 appropriate under the circumstances, by such other means. No
287 testimony offered or evidence produced by such owner or interested
288 person at such hearing and no evidence discovered as a result of or
289 otherwise derived from such testimony or evidence may be used against
290 such owner or interested person in any proceeding, except that no such
291 owner or interested person shall be immune from prosecution for
292 perjury or contempt committed while giving such testimony or
293 producing such evidence. At such hearing, the court shall hear evidence
294 and make findings of fact and enter conclusions of law and shall issue a
295 final order from which the parties shall have such right of appeal as
296 from a decree in equity.

297 [(c)] (d) The court shall hold a hearing on the petition filed pursuant
298 to subsection [(a)] (b) of this section not more than two weeks after the

299 criminal proceeding that occurred as a result of the arrest has been
300 nulled, dismissed or otherwise disposed of. The court shall deny the
301 petition and return the property to the owner if the criminal proceeding
302 does not result in (1) a plea of guilty or nolo contendere to any offense
303 charged in the same criminal information, (2) a guilty verdict after trial
304 to a forfeiture-eligible offense for which the property was possessed,
305 controlled, designed or intended for use, or which was or had been used
306 as a means of committing such offense, or which constitutes the
307 proceeds of the commission of such offense, or (3) a dismissal resulting
308 from the completion of a pretrial diversionary program.

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

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

320 ~~[(f)]~~ (g) Any property ordered forfeited pursuant to subsection ~~[(b)]~~
321 (c) of this section shall be sold at public auction conducted by the
322 Commissioner of Administrative Services or the commissioner's
323 designee.

324 ~~[(g)]~~ (h) The proceeds from any sale of property under subsection ~~[(f)]~~
325 (g) of this section and any moneys forfeited under this section shall be
326 applied: (1) To payment of the balance due on any lien preserved by the
327 court in the forfeiture proceedings; (2) to payment of any costs incurred
328 for the storage, maintenance, security and forfeiture of any such
329 property; and (3) to payment of court costs. The balance, if any, shall be
330 deposited in the Criminal Injuries Compensation Fund established in

331 section 54-215.

332 Sec. 6. Subsection (a) of section 54-33a of the general statutes is
333 repealed and the following is substituted in lieu thereof (*Effective July 1,*
334 *2026*):

335 (a) As used in sections 54-33a to 54-33g, inclusive, as amended by this
336 act, (1) "property" includes, but is not limited to, documents, books,
337 papers, films, recordings, records, data, [and] any other tangible thing,
338 [; and] virtual currency and virtual currency wallets; (2) "tracking
339 device" means an electronic or mechanical device that permits the
340 tracking of the movement of a person or object; (3) "virtual currency"
341 has the same meaning as provided in section 36a-596; and (4) "virtual
342 currency wallet" has the same meaning as provided in section 36a-596.

343 Sec. 7. Section 53a-275 of the general statutes is repealed and the
344 following is substituted in lieu thereof (*Effective July 1, 2026*):

345 For the purposes of this section and sections 53a-276 to 53a-282,
346 inclusive:

347 (1) "Monetary instrument" means coin or currency of the United
348 States or of any other country, travelers' checks, personal checks, bank
349 checks, money orders, negotiable investment securities or negotiable
350 instruments in bearer form or otherwise in such form that title thereto
351 passes upon delivery.

352 (2) "Equivalent property" means property that may be readily
353 converted into, or exchanged for, United States or foreign currency or
354 coin, including gold, silver or platinum bullion or coins, diamonds,
355 emeralds, rubies, sapphires or other precious stones, stamps, [or] airline
356 tickets, virtual currency or virtual currency wallets or the contents
357 thereof, or any other property that is intended to be so converted or
358 exchanged.

359 (3) "Felony" means a felony under the laws of this state or a criminal
360 offense committed in another jurisdiction punishable under the laws of

361 that jurisdiction by death or a term of imprisonment exceeding one year.

362 (4) "Exchange", in addition to its ordinary meaning, means purchase,
 363 sale, loan, pledge, gift, transfer, delivery, deposit, withdrawal or
 364 extension of credit.

365 (5) "Virtual currency" has the same meaning as provided in section
 366 36a-596.

367 (6) "Virtual currency wallet" has the same meaning as provided in
 368 section 36a-596."

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2026</i>	New section
Sec. 2	<i>July 1, 2026</i>	54-36a(a)
Sec. 3	<i>July 1, 2026</i>	54-36h
Sec. 4	<i>July 1, 2026</i>	54-36o
Sec. 5	<i>July 1, 2026</i>	54-36p
Sec. 6	<i>July 1, 2026</i>	54-33a(a)
Sec. 7	<i>July 1, 2026</i>	53a-275