



General Assembly

**Amendment**

January Session, 2025

LCO No. 7778



Offered by:

REP. DOUCETTE, 13<sup>th</sup> Dist.

REP. DELNICKI, 14<sup>th</sup> Dist.

REP. FOSTER, 57<sup>th</sup> 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 January 1, 2026*) (a) As used in this section,  
4 (1) "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 victims who suffer a pecuniary loss as a result of a violation  
65 of section 53a-122, 53a-123, 53a-124, 53a-125, 53a-125a or 53a-125b of the  
66 general statutes that gives rise to the forfeiture of such property.

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

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70 repealed and the following is substituted in lieu thereof (*Effective January*  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

72 (a) As used in this section, sections 53-278c and 54-36c: (1)  
73 "Contraband" means any property, the possession of which is  
74 prohibited by any provision of the general statutes; (2) ["stolen  
75 property" shall include, but not be limited to, cash or the proceeds from  
76 the sale of such property obtained by theft or other illegal means; (3)]

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

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 Section 54-36h of the general statutes is repealed and the  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

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

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

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

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

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

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

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

106 directly or indirectly, by a corporation as a result of a violation of section  
107 53a-276, 53a-277 or 53a-278.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

265 53a-90a, 53a-189a, 53a-189b, 53a-192a, 53a-196a, 53a-196b, 53a-196c or  
266 53a-196i.

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

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

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

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

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

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

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

330 section 54-215.

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

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

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

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

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

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

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

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

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

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

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

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

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