
OLR Bill Analysis

sSB 215

AN ACT CONCERNING THE PRESUMPTION OF ABANDONMENT OF CERTAIN PROPERTY HELD OR OWING BY A BANKING ORGANIZATION.

SUMMARY

This bill changes the criteria under which inactive checking and savings accounts held by banks doing business in Connecticut are presumed abandoned and turned over (escheated) to the state.

By law, an account escheats to the state after three years of inactivity unless the owner has taken certain actions to show his or her interest in the account, including depositing or withdrawing money from it or presenting the account's passbook or similar evidence of the account. The bill expands these actions to also include:

1. depositing to or withdrawing from any other checking or savings account the owner has with the bank,
2. presenting the account's passbook or similar evidence for any of these other accounts, and
3. making a principal or interest payment on a loan with the bank.

By law, unchanged by the bill, the owner may also show interest in the account through (1) written correspondence with the bank about the account, (2) a memorandum on file at the bank, or (3) the fact that the IRS Form 1099 the bank sends to the owner is not returned to the bank by the U.S. Postal Service.

By law and under the bill, these same criteria apply to checking and savings accounts held as part of an individual retirement account or self-employed retirement plan. However, unlike regular checking and savings accounts, the bank cannot presume them abandoned until six months after the date on which federal tax rules require distribution of

funds to the beneficiary to begin.

EFFECTIVE DATE: October 1, 2026

COMMITTEE ACTION

Banking Committee

Joint Favorable Substitute

Yea 13 Nay 0 (03/10/2026)