

HB519: Unclaimed Property Modifications

SPONSOR: REP. TEUSCHER; FLOOR SPONSOR SEN. CULLIMORE

Background

HB519 updates Utah's existing unclaimed property law (the Revised Uniform Unclaimed Property Act). The law already requires that when property is abandoned for a certain number of years, it must be turned over to the state so that the rightful owner can claim it later.

Utah's current law already covers items such as forgotten bank accounts, uncashed checks, life insurance payouts, and safe-deposit box contents. HB519 updates Utah code to clearly address digital assets like cryptocurrency and other digital-only financial assets.



Why HB519 is important

1. Cryptocurrency is increasingly common
 - Without clear rules, abandoned digital property creates legal and administrative uncertainty.
2. Aligns Utah statute with a growing national approach to unclaimed digital assets
 - 10 states have active legislation this year addressing digital asset transfer
3. Protects property owners
 - Ensures abandoned digital assets are not lost forever.
4. Creates clarity for businesses
 - Digital Asset holders now have clear reporting rules and transfer obligations.

What HB519 Does

SETS WHEN DIGITAL ASSETS ARE CONSIDERED ABANDONED

- A digital asset is presumed abandoned after 3 years with no contact or indication of interest from the owner
 - This matches how many other types of financial property are treated.

EXPLAINS HOW DIGITAL ASSETS ARE HANDLED ONCE ABANDONED

- Abandoned assets must be sent to the state's designated custodian
- If the state cannot safely hold the asset, or it costs more to manage than it is worth, it can liquidate the asset.
- If a company cannot transfer an asset because they lack a private key, it must report it, maintain custody of it until it can transfer it, and check annually if it is transferrable.

ESTABLISHES RULES FOR SELLING DIGITAL ASSETS

- The state must wait 3 years after receiving assets before selling.
- The state must provide notice to the apparent owner.
- The state must sell at a fair market price.
- The state is not liable for market gains or losses from selling.