

STATE OF NEW YORK

8314

2019-2020 Regular Sessions

IN ASSEMBLY

June 13, 2019

Introduced by M. of A. WEINSTEIN -- (at request of the State Comptroller) -- read once and referred to the Committee on Ways and Means

AN ACT to amend the abandoned property law, in relation to including unclaimed virtual currency within the scope of property covered by such law; reducing the dormancy for wages; and authorizing the promulgation of regulations recognizing electronic communication as written contact

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 103 of the abandoned property law is amended by
2 adding two new subdivisions (h) and (i) to read as follows:

3 (h) (i) "Virtual currency" means any type of digital unit that is used
4 for a medium of exchange or a form of digitally stored value. Virtual
5 currency shall be broadly construed to include digital units of exchange
6 that (A) have a central depository or administrator; (B) are decentral-
7 ized and have no centralized repository or administrator; or (C) may be
8 created or obtained by computing or manufacturing effort.

9 (ii) Virtual currency shall not include digital units that are (A)
10 solely used within online gaming platforms, (B) redeemed for goods,
11 services, discounts or purchases as part of a reward program, or (C)
12 used as part of prepaid cards.

13 (i) "Virtual currency business activity" means the conduct of any one
14 of the following types of activities involving New York or a New York
15 resident:

16 (i) receiving virtual currency for transmission or transmitting virtu-
17 al currency, except where the transaction is undertaken for non-finan-
18 cial purposes and does not involve more than a nominal amount of virtual
19 currency;

20 (ii) storing, holding or maintaining custody or control of virtual
21 currency on behalf of others;

22 (iii) buying and selling virtual currency as a customer business; or

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 (iv) controlling, administering, or issuing a virtual currency.

2 § 2. The abandoned property law is amended by adding a new section
3 1423 to read as follows:

4 § 1423. Electronic contact. Notwithstanding any other provision of
5 this chapter, the comptroller shall promulgate rules and regulations
6 establishing when an electronic communication from the apparent owner of
7 amounts or securities as defined in this chapter shall constitute "writ-
8 ten contact" for purposes of tolling the dormancy period.

9 § 3. The opening paragraph of subdivision 3 of section 501 of the
10 abandoned property law, as amended by chapter 61 of the laws of 1989, is
11 amended to read as follows:

12 Any wages payable on or after July first, nineteen hundred sixty-three
13 by a domestic or foreign corporation and held for a resident by such
14 issuing corporation or held and payable by a fiduciary other than a
15 broker or dealer as defined in section five hundred ten of this chapter
16 for a resident shall be deemed to be abandoned property, where for
17 [~~three successive years~~] one year:

18 § 4. The opening paragraph and paragraphs (b) and (c) of subdivision 5
19 of section 511 of the abandoned property law, as amended by chapter 767
20 of the laws of 1983, are amended to read as follows:

21 Any wages held and payable on or after July first, nineteen hundred
22 sixty-six by a broker or dealer, as defined in section five hundred ten
23 of this article, for the benefit of a person or persons, known or
24 unknown shall be deemed to be abandoned property, where for [~~three~~
25 ~~successive years~~] one year:

26 (b) No written communication has been received from such person by the
27 holder[, and

28 ~~(c) Notice regarding such wages, if sent by the broker or dealer, via~~
29 ~~first class mail, to such person at his last known address has been~~
30 ~~returned to the broker or dealer by the postal authorities for inability~~
31 ~~to locate such person~~].

32 § 5. The abandoned property law is amended by adding a new section
33 1318 to read as follows:

34 § 1318. Unclaimed virtual currency. 1. Any virtual currency held or
35 owing by any banking organization, corporation or other entity engaged
36 in virtual currency business activity which shall have remained
37 unclaimed by the person entitled thereto for a period of three years
38 shall be deemed abandoned property if:

39 (a) the last known address of the person entitled to such virtual
40 currency as shown on the books and records of the entity engaging in the
41 virtual currency business activity is located in the state; or

42 (b) the last known address of the person entitled to such virtual
43 currency is not shown on the books and records of the entity engaging in
44 the virtual currency business activity and the entity is incorporated in
45 this state.

46 2. (a) Any virtual currency held or owing by a banking organization, a
47 corporation or other entity engaged in virtual currency business deemed
48 abandoned under this section as of the thirtieth day of the preceding
49 June shall be paid or delivered to the comptroller on or before the
50 tenth day of the next succeeding November.

51 (b) Payment or delivery shall be accompanied by a true and accurate
52 report setting forth information relating to such abandoned property as
53 the comptroller may require.

54 3. Virtual currency reported to the comptroller pursuant to this
55 section shall be sold on any established exchange, or by such other

1 means as the comptroller shall deem advisable, as soon as the comp-
2 troller in his or her discretion deems practicable.

3 4. The proceeds of the sale of virtual currency, less all costs
4 incurred in connection with such sale, shall be deposited by the comp-
5 troller in the abandoned property fund and any claimant to such virtual
6 currency shall be entitled only to the proceeds of the sale of such
7 virtual currency by the comptroller.

8 § 6. This act shall take effect immediately.