



**ARIZONA STATE SENATE**  
*Fifty-Seventh Legislature, First Regular Session*

FACT SHEET FOR H.B. 2749

unclaimed property; virtual currency; security

Purpose

Establishes a process to deem digital assets as abandoned property and for a holder to deliver the abandoned property to the Arizona Department of Revenue (ADOR). Establishes the Bitcoin and Digital Assets Reserve Fund (Fund) consisting of abandoned digital assets for which three years have passed after the date the abandoned digital assets were transferred to a qualified custodian, if the abandoned digital assets remain unclaimed. Requires the State Treasurer, on approval of the Legislature, to deposit 10 percent of the digital assets held in the Fund into the state General Fund (state GF).

Background

Property is unclaimed if, for the applicable prescribed period, the apparent owner has not communicated in writing with the holder or communicated by other means reflected in a contemporaneous record that is prepared by or on behalf of the holder and that concerns the property or the account or accounts in which the property is held and has not otherwise indicated an interest in the property and if the holder has not communicated in writing with regard to the property that would otherwise be unclaimed.

Property in Arizona is presumed to be abandoned if it is unclaimed by the apparent owner. The schedule for property to be presumed abandoned depends upon the type of property, which may include a traveler's check, money order, stock, principal on debt, savings deposit, credit, an amount owed to an insurance company and other outlined forms of property. Unless otherwise specified, property is presumed abandoned three years after the owner's rights to demand the property or after the obligation to pay or distribute the property arises, whichever occurs first.

Property that is presumed to be abandoned is subject to the custody of the state if the holder's address or domicile is in Arizona or the transaction of property took place in Arizona, as prescribed. The holder of property that is presumed abandoned must pay, deliver or cause to be paid or delivered the abandoned property to ADOR. A holder who pays or delivers abandoned property to ADOR is relieved of all liability with respect to the abandoned property that arises after the payment or delivery of the property. Within three years of receiving abandoned property, ADOR must sell the property to the highest bidder at a public sale. ADOR may decline the highest bid and reoffer the abandoned property for sale if ADOR considers the bid to be insufficient. A purchaser of property at a sale conducted by ADOR takes the property free of all claims to the owner or previous holder and of all persons claiming through the owner or previous holder. A *holder* is a person who is obligated to hold for the account of or deliver or pay to the owner unclaimed property. *Property* means tangible property or a fixed and certain interest in tangible property that is held, issued or owed in the course of a holder's business or by a government, governmental subdivision, agency or instrumentality and all income or increments from the property ([A.R.S. Title 44, Chapter 3](#)).

If the Legislature approves the State Treasurer depositing 10 percent of the digital assets held in the Fund into the state GF, there may be a fiscal impact to the state GF.

Provisions

***Abandoned Digital Assets***

1. Determines that digital assets are presumed abandoned three years after a written or electronic communication is returned to the owner as undeliverable by the U.S. Postal Service or email or any other electronic messaging method.
2. Deems that the three-year presumption of abandonment ceases immediately on the exercise of an act of ownership interest in the digital asset or by a written, oral or electronic communication with the holder of the digital asset that is evidenced by a memorandum or other record that is on file with the holder or the holder's agent.
3. Specifies that *exercise of an act of ownership interest* includes:
  - a) the owner taking action regarding the digital asset;
  - b) conducting a transaction regarding the digital asset or the account in which the digital asset is held, including depositing monies into or withdrawing monies from the account;
  - c) electronically accessing the account in which the digital asset is held;
  - d) conducting any activity with respect to another account that is owned by the owner and held by the same holder; and
  - e) taking any other action that reasonably demonstrates to the holder that the owner knows the property exists.
4. Requires the holder who reports an abandoned digital asset to report and deliver the digital asset in the native form to ADOR or ADOR's designated qualified custodian within 30 days after reporting the digital asset abandoned.
5. Allows a qualified custodian, on direction by ADOR to stake to receive rewards or receive airdrops.
6. Requires any airdrops or staking rewards to be transferred to the Fund on the expiration of three years after the date the abandoned digital asset was transferred to a qualified custodian and if the abandoned digital asset remains unclaimed.
7. Defines *qualified custodian* as a company, federal or state chartered bank, trust company or special purpose depository institution that is licensed to sell digital assets and offer custody services to customers in Arizona.
8. Requires, if the holder only possesses a partial private key to the abandoned digital asset or is unable to move the abandoned digital asset, the holder to maintain the abandoned digital asset until the additional keys required to transfer the abandoned digital asset become available.
9. Requires ADOR to sell abandoned digital assets that are listed on an established digital asset exchange at prices prevailing on the exchange at the time of the sale.

10. Prohibits ADOR from selling an abandoned digital asset listed on an established stock or a digital asset exchange for less than the prevailing price that is listed on the exchange at the time of sale.
11. Allows ADOR to sell an abandoned digital asset that is not listed on an established exchange by any commercially reasonable method.

***Fund***

12. Establishes the Fund consisting of any airdrops, staking rewards or interest earned on reported abandoned property that is a digital asset, as prescribed.
13. Specifies that rewards received from staking a digital asset may be in the form of digital assets.
14. Requires the State Treasurer to administer the Fund.
15. Subjects the Fund to legislative appropriation.
16. Requires the State Treasurer, on approval of the Legislature, to deposit 10 percent of the digital assets held in the Fund into the state GF.
17. Prohibits the Legislature from depositing Bitcoin into the state GF.

***Miscellaneous***

18. Defines *airdrop* as issuing a unit of a digital asset that is distributed in a broad, equipped and nondiscretionary manner based on conditions that are capable of being satisfied by a participant in a blockchain system as incentive based rewards, including:
  - a) to users of a digital asset or a blockchain system to which the digital asset relates;
  - b) for activities that are directly related to the operation of the blockchain system, including mining, validating, staking and any other activity that is directly tied to the operation of the blockchain system; or
  - c) to existing holders of another digital asset in proportion to the total units of the other digital assets that are held by each person.
19. Specifies that *airdrop* does not include an exchange of more than a nominal value of cash, property or other assets.
20. Defines *digital assets* as virtual currencies, cryptocurrencies or any other digital-only assets that confer economic, proprietary or access rights or powers.
21. Defines *stake* as committing digital assets to a blockchain network to participate in the blockchain network's operations by validating transactions, proposing and attesting to blocks and securing the network.
22. Makes technical and conforming changes.
23. Becomes effective on the general effective date.

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House Action

GOV	2/11/25	DPA	10-0-0-0
3 <sup>rd</sup> Read	2/26/25		57-0-3

Prepared by Senate Research

March 10, 2025

AN/SDR/slp