

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

February 27, 2025
Date

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

HB25-1224 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

1 Amend printed bill, page 6, after line 1 insert:

2 "SECTION 4. In Colorado Revised Statutes, 38-13-202, **amend**
3 (1); and **repeal** (3) and (4) as follows:

4 **38-13-202. When tax-deferred retirement account presumed**
5 **abandoned.** (1) Subject to section 38-13-210, property held in a pension
6 account or retirement account that qualifies for tax deferral under the
7 income tax laws of the United States is presumed abandoned if it is
8 unclaimed by the apparent owner three years after the later of:

9 (a) ~~The following dates:~~

10 ~~(I) Except as otherwise provided in subsection (1)(b)(II) of this~~
11 ~~section, the date a second consecutive communication sent by the holder~~
12 ~~by first-class United States mail to the apparent owner is returned to the~~
13 ~~holder undelivered by the United States postal service; or~~

14 ~~(II) If the second communication is sent later than thirty days after~~
15 ~~the date the first communication is returned undelivered, the date the first~~
16 ~~communication was returned undelivered by the United States postal~~
17 ~~service; or~~

18 ~~(b) The earlier of the following dates:~~

19 ~~(I) The date the apparent owner becomes seventy and one-half~~
20 ~~years of age, if reasonably determinable by the holder; or~~

21 ~~(II) If the federal "Internal Revenue Code of 1986", as amended,~~
22 ~~26 U.S.C. sec. 1 et seq., requires distribution to avoid a tax penalty, two~~
23 ~~years after the date the holder:~~

24 ~~(A) Receives confirmation of the death of the apparent owner in~~
25 ~~the ordinary course of its business; or~~

26 ~~(B) Confirms the death of the apparent owner under subsection (2)~~
27 ~~of this section~~ IT BECOMES PAYABLE OR DISTRIBUTABLE IF THE OWNER

1 HAS NOT ACCEPTED THE DISTRIBUTION, CORRESPONDED IN WRITING
2 CONCERNING THE DISTRIBUTION, OR OTHERWISE INDICATED AN INTEREST
3 AS EVIDENCED BY A MEMORANDUM OR OTHER RECORD ON FILE WITH THE
4 FIDUCIARY OF THE TRUST OR CUSTODIAL FUND OR THE ADMINISTRATOR OF
5 THE PLAN UNDER WHICH THE TRUST OR FUND IS ESTABLISHED.

6 ~~(3) If the holder does not send communications to the apparent~~
7 ~~owner of an account described in subsection (1) of this section by~~
8 ~~first-class United States mail, the holder shall attempt to confirm the~~
9 ~~apparent owner's interest in the property by sending the apparent owner~~
10 ~~an electronic-mail communication not later than two years after the~~
11 ~~apparent owner's last indication of interest in the property; except that the~~
12 ~~holder promptly shall attempt to contact the apparent owner by first-class~~
13 ~~United States mail if:~~

14 ~~(a) The holder does not have information needed to send the~~
15 ~~apparent owner an electronic-mail communication or the holder believes~~
16 ~~that the apparent owner's electronic-mail address in the holder's records~~
17 ~~is not valid;~~

18 ~~(b) The holder receives notification that the electronic-mail~~
19 ~~communication was not received; or~~

20 ~~(c) The apparent owner does not respond to the electronic-mail~~
21 ~~communication not later than thirty days after the communication was~~
22 ~~sent.~~

23 ~~(4) If first-class United States mail sent under subsection (3) of~~
24 ~~this section is returned to the holder undelivered by the United States~~
25 ~~postal service, the property is presumed abandoned three years after the~~
26 ~~later of:~~

27 ~~(a) Except as otherwise provided in subsection (4)(b) of this~~
28 ~~section, the date a second consecutive communication to contact the~~
29 ~~apparent owner sent by first-class United States mail is returned to the~~
30 ~~holder undelivered;~~

31 ~~(b) If the second communication is sent later than thirty days after~~
32 ~~the date the first communication is returned undelivered, the date the first~~
33 ~~communication was returned undelivered; or~~

34 ~~(c) The date established by subsection (1)(b) of this section."~~

35 Renumber succeeding sections accordingly.

36 Page 7, line 19, after "(4.5)" insert "(a)".

37 Page 7, after line 24 insert:

38 "(b) IF A HOLDER CANNOT LIQUIDATE VIRTUAL CURRENCY AND
39 CANNOT OTHERWISE CAUSE VIRTUAL CURRENCY TO BE LIQUIDATED, THE

1 HOLDER SHALL PROMPTLY NOTIFY THE ADMINISTRATOR IN WRITING AND
2 EXPLAIN THE REASONS WHY THE VIRTUAL CURRENCY CANNOT BE
3 LIQUIDATED. THE ADMINISTRATOR, IN THE ADMINISTRATOR'S ABSOLUTE
4 AND SOLE DISCRETION, MAY DIRECT THE HOLDER TO EITHER:
5 (I) TRANSFER THE VIRTUAL CURRENCY THAT CANNOT BE
6 LIQUIDATED TO A CUSTODIAN SELECTED BY THE ADMINISTRATOR; OR
7 (II) CONTINUE TO HOLD THE VIRTUAL CURRENCY UNTIL THE
8 ADMINISTRATOR OR THE HOLDER DETERMINES THAT THE VIRTUAL
9 CURRENCY CAN BE LIQUIDATED PURSUANT TO THIS ARTICLE 13 OR THAT
10 THERE IS AN INDICATION OF APPARENT OWNER INTEREST."

11 Page 10, line 18, strike "MAY" and substitute "SHALL".

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