

COMMITTEE ON COMMERCE
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2749
(Reference to printed bill)

Amendment instruction key:

[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.

[Green underlining in brackets] indicates text added to new session law or text restoring existing law.

~~[GREEN STRIKEOUT IN BRACKETS]~~ indicates new text removed from statute or previously enacted session law.

~~[Green strikeout in brackets]~~ indicates text removed from existing statute, previously enacted session law or new session law.

<<Green carets>> indicate a section added to the bill.

~~<<Green strikeout in carets>>~~ indicates a section removed from the bill.

1 The bill as proposed to be amended is reprinted as follows:

2 <<Section. 1. Title 41, chapter 1, article 4, Arizona Revised
3 Statutes, is amended by adding section 41-180, to read:

4 41-180. Bitcoin and digital assets reserve fund; definitions

5 [A. THE BITCOIN AND DIGITAL ASSETS RESERVE FUND IS ESTABLISHED
6 CONSISTING OF ANY AIRDROPS, STAKING REWARDS OR INTEREST EARNED AS
7 PRESCRIBED IN SECTION 44-308, SUBSECTION D. THE STATE TREASURER SHALL
8 ADMINISTER THE FUND. MONIES IN THE FUND ARE SUBJECT TO THE LEGISLATIVE
9 APPROPRIATION. THE STAKING REWARDS OR INTEREST EARNED FROM THE DIGITAL
10 ASSET MAY BE IN THE FORMS OF DIGITAL ASSETS AND BITCOIN.

11 B. ON APPROVAL OF THE LEGISLATURE, TEN PERCENT OF THE DIGITAL
12 ASSETS HELD IN THE FUND SHALL BE DEPOSITED IN THE STATE GENERAL FUND. THE
13 LEGISLATURE MAY NOT DEPOSIT BITCOIN INTO THE STATE GENERAL FUND.

14 C. FOR THE PURPOSES OF THIS SECTION:

15 1. "AIRDROP" MEANS THE RECEIPT OF VIRTUAL CURRENCY THROUGH A MEANS
16 OF DISTRIBUTION OF VIRTUAL CURRENCY TO THE DISTRIBUTED LEDGER ADDRESSES OF
17 MULTIPLE TAXPAYERS.

18 2. "DIGITAL ASSETS":

19 (a) MEANS A DIGITAL REPRESENTATION OF VALUE, RIGHTS OR OWNERSHIP
20 THAT IS RECORDED AND TRANSFERRED ELECTRONICALLY USING BLOCKCHAIN
21 TECHNOLOGY OR OTHER DISTRIBUTED LEDGER SYSTEMS.

22 (b) INCLUDES ANY OF THE FOLLOWING:

23 (i) CRYPTOCURRENCY.

24 (ii) NON-FUNGIBLE TOKENS.

25 (iii) TOKENIZED REAL-WORLD ASSETS.

26 (iv) AN AIRDROP.

27 (v) FORKED TOKENS.

28 (vi) DEFI REWARDS OR TOKENS, ALSO KNOWN AS DECENTRALIZED FINANCE.

1 (vii) VIRTUAL CURRENCY. FOR THE PURPOSES OF THIS SUBDIVISION,
2 "VIRTUAL CURRENCY" HAS THE SAME MEANING PRESCRIBED IN SECTION 43-1028.

3 (viii) OTHER DIGITAL REPRESENTATIONS THAT MAY HOLD ECONOMIC,
4 UTILITY OR OWNERSHIP VALUE.

5 3. "NON-FUNGIBLE TOKEN" HAS THE SAME MEANING AS PRESCRIBED IN
6 SECTION 43-1028.

7 4. "STAKE" MEANS THE PROCESS THAT BLOCKCHAIN NETWORKS DIGITAL
8 CURRENCIES USE TO VALIDATE TRANSACTIONS ON THE BLOCKCHAIN IN EXCHANGE FOR
9 INTEREST EARNED OR A REWARD.]>>

10 Sec. 2. Section 44-301, Arizona Revised Statutes, is amended to
11 read:

12 44-301. Definitions

13 In this chapter, unless the context otherwise requires:

14 [1. "AIRDROP" MEANS THE RECEIPT OF VIRTUAL CURRENCY THROUGH A MEANS
15 OF DISTRIBUTION OF VIRTUAL CURRENCY TO THE DISTRIBUTED LEDGER ADDRESSES OF
16 MULTIPLE TAXPAYERS.]

17 [1.] [2.] "Apparent owner" means a person whose name appears on the
18 records of a holder as the person entitled to property held, issued or
19 owing by the holder.

20 [2.] [3.] "Business association" means any corporation, joint stock
21 company, investment company, partnership, limited partnership, registered
22 limited liability partnership, unincorporated association, joint venture,
23 limited liability company, business trust, trust company, land bank, safe
24 deposit company, safekeeping depository, financial organization, insurance
25 company, mutual fund, utility or other business entity, whether for profit
26 or not for profit, that consists of one or more persons.

27 [3.] [4.] "De minimis property" means any account balances of
28 business associations of ~~fifty dollars~~ \$50 or less THAT IS payable to
29 another business association.

30 [4.] [5.] "Department" means the department of revenue.

31 [6. "DIGITAL ASSETS":

32 (a) MEANS A DIGITAL REPRESENTATION OF VALUE, RIGHTS OR OWNERSHIP
33 THAT IS RECORDED AND TRANSFERRED ELECTRONICALLY USING BLOCKCHAIN
34 TECHNOLOGY OR OTHER DISTRIBUTED LEDGER SYSTEMS.

35 (b) INCLUDES ANY OF THE FOLLOWING:

36 (i) CRYPTOCURRENCY.

37 (ii) NON-FUNGIBLE TOKENS.

38 (iii) TOKENIZED REAL-WORLD ASSETS.

39 (iv) AN AIRDROP.

40 (v) FORKED TOKENS.

41 (vi) DEFI REWARDS OR TOKENS, ALSO KNOWN AS DECENTRALIZED FINANCE.

42 (vii) VIRTUAL CURRENCY. FOR THE PURPOSES OF THIS SUBDIVISION,
43 "VIRTUAL CURRENCY" HAS THE SAME MEANING PRESCRIBED IN SECTION 43-1028.

44 (viii) OTHER DIGITAL REPRESENTATIONS THAT MAY HOLD ECONOMIC,
45 UTILITY OR OWNERSHIP VALUE.]

46 [5.] [7.] "Director" means the director of the department of
47 revenue.

1 ~~[6.]~~ [8.] "Domicile" means the state of incorporation of a
2 corporation and the state of the principal place of business of a holder
3 other than a corporation.

4 ~~[7.]~~ [9.] "Financial organization" means a savings and loan
5 association, building and loan association, savings bank, industrial bank,
6 bank, banking organization or credit union.

7 ~~[8.]~~ [10.] "Holder" means a person who is obligated to hold for the
8 account of or deliver or pay to the owner ~~THE~~ property that is subject to
9 this chapter.

10 ~~[9.]~~ [11.] "Insurance company" means an association, corporation or
11 fraternal or mutual benefit society or organization, whether for profit or
12 not for profit, that is engaged in the business of providing life
13 endowments, annuities or insurance, including accident, burial, casualty,
14 credit life, contract performance, dental, disability, fidelity, fire,
15 health, hospitalization, illness, life, malpractice, marine, mortgage,
16 surety, wage protection and workers' compensation insurance.

17 ~~[10.]~~ [12.] "Mineral" means gas, oil, coal, sand, gravel, road
18 material, building stone, chemical raw material, gemstone, fissionable and
19 nonfissionable ores, colloid and other clay, steam and other geothermal
20 resource or any other substance defined as a mineral in sections 27-231
21 and 27-901.

22 ~~[11.]~~ [13.] "Mineral proceeds" means the amounts payable for the
23 extraction, production or sale of minerals or, if those amounts are
24 abandoned, all payments that become payable after the abandonment.
25 Mineral proceeds include amounts payable:

26 (a) For the acquisitions and retention of a mineral lease,
27 including bonuses, royalties, compensatory royalties, shut-in royalties,
28 minimum royalties and delay rentals.

29 (b) For the extraction, production or sale of minerals, including
30 net revenue interest, royalties, overriding royalties, extraction payments
31 and production payments.

32 (c) Under an agreement or option, including a joint operating
33 agreement, unit agreement, pooling agreement and farm out agreement.

34 ~~[12.]~~ [14.] "Money order" includes an express money order and a
35 personal money order on which the remitter is the purchaser. Money order
36 does not include a bank money order or any other instrument that is sold
37 by a financial organization if the seller has obtained the name and
38 address of the payee.

39 [15. "NON-FUNGIBLE TOKEN" HAS THE SAME MEANING PRESCRIBED IN
40 SECTION 43-1028.]

41 ~~[13.]~~ [16.] "Owner" means a person who has a legal or equitable
42 interest in property that is subject to this chapter or the person's legal
43 representative. Owner includes a depositor in the case of a deposit, a
44 beneficiary in the case of a trust other than a deposit in trust and a
45 creditor, claimant or payee in the case of other property.

46 ~~[14.]~~ [17.] "Person" means an individual, business association,
47 financial organization, estate, trust, government, governmental

1 subdivision, agency or instrumentality or any other legal or commercial
2 entity.

3 ~~[15.]~~ [18.] "Property":

4 (a) Means ANY OF THE FOLLOWING:

5 (i) Tangible property pursuant to section 44-303. ~~or~~

6 (ii) A fixed and certain interest in intangible property that is
7 held, issued or owed in the course of a holder's business or by a
8 government, governmental subdivision, agency or instrumentality and all
9 income or increments from that property.

10 (iii) A SECURITY AS DEFINED IN SECTION 44-1801.

11 (iv) VIRTUAL CURRENCY AS DEFINED IN SECTION 43-1028.

12 (b) ~~Property~~ Does not include de minimis property, property of a
13 person who is maintaining a current business relationship with the holder,
14 monies collected pursuant to section 46-441 and property that is referred
15 to or evidenced by gift certificates, electronic gift cards, nonrefundable
16 tickets, certificates evidencing property denominated in value other than
17 a currency, including prepaid phone cards, frequent flyer miles, stored
18 value cards and merchandise points.

19 (c) ~~Property~~ Includes property that is referred to as or evidenced
20 by any of the following:

21 ~~(a)~~ (i) Money or any check, draft, deposit, interest or dividend.

22 ~~(b)~~ (ii) Any credit balance, customer's overpayment, security
23 deposit, refund, credit memorandum, unpaid wage, unused ticket, mineral
24 proceeds or unidentified remittance.

25 ~~(c)~~ (iii) Any stock or other evidence of ownership of an interest
26 in a business association or financial organization.

27 ~~(d)~~ (iv) Any bond, debenture, note or other evidence of
28 indebtedness.

29 ~~(e)~~ (v) Money deposited to redeem stocks, bonds, coupons or other
30 securities or to make distributions.

31 ~~(f)~~ (vi) An amount due and payable under the terms of an annuity
32 or insurance policy, including policies that provide life, property,
33 casualty, workers' compensation, health or disability insurance.

34 ~~(g)~~ (vii) An amount distributable from a trust or custodial fund
35 that is established under a plan to provide health, welfare, pension,
36 vacation, severance, retirement, death, stock purchase, profit sharing,
37 employee savings or supplemental unemployment insurance or similar
38 benefits.

39 ~~[16.]~~ [19.] "Record" means information that is inscribed on a
40 tangible medium or that is stored in any electronic or other medium and
41 that is retrievable in a perceivable form.

42 [20. "STAKE" MEANS THE PROCESS THAT BLOCKCHAIN NETWORKS DIGITAL
43 CURRENCIES USE TO VALIDATE TRANSACTIONS ON THE BLOCKCHAIN IN EXCHANGE FOR
44 INTEREST EARNED OR A REWARD.]

45 ~~[17.]~~ [21.] "State" means a state of the United States, the District
46 of Columbia, the Commonwealth of Puerto Rico or any territory or insular
47 possession that is subject to the jurisdiction of the United States.

1 ~~[18.]~~ [22.] "Utility" has the same meaning prescribed in section
2 40-491.

3 Sec. 3. Section 44-302, Arizona Revised Statutes, is amended to
4 read:

5 44-302. Presumptions of abandonment

6 A. Property is presumed abandoned if it is unclaimed by the
7 apparent owner according to the following schedule:

8 1. A traveler's check is presumed abandoned fifteen years after
9 issuance.

10 2. A money order or similar written instrument, other than a ~~third~~
11 ~~party~~ THIRD-PARTY bank check, is presumed abandoned three years after
12 issuance.

13 3. Any stock or other equity interest in a business association or
14 financial organization, including a security entitlement under title 47,
15 chapter 8, is presumed abandoned three years after any of the following,
16 whichever occurs first:

17 (a) The date of the most recent dividend, stock split or other
18 distribution that is unclaimed by the apparent owner.

19 (b) The date of the second mailing of a statement of account or
20 other notification or communication that was returned as undeliverable.

21 (c) The date the holder discontinued mailings, notifications or
22 communications to the apparent owner.

23 4. The principal on debt, other than a bearer bond or an original
24 issue discount bond, of a business association or financial organization
25 is presumed abandoned three years after the maturity date and the interest
26 on the debt is presumed abandoned three years after the payment date.

27 5. Except as otherwise provided in this paragraph, a demand,
28 savings or time deposit, including a deposit that is automatically
29 renewable, and any interest or dividends are presumed abandoned three
30 years after maturity or the date of the last indication by the owner of
31 interest in the property, whichever occurs first. A certificate of
32 deposit and any interest are presumed abandoned three years after
33 maturity. For the purposes of this paragraph, a deposit that is
34 automatically renewable is deemed matured on its initial date of maturity,
35 unless the owner has consented to a renewal at the time of the account
36 opening or about the time of the renewal and the consent is in writing or
37 is evidenced by the original account agreement or by any memorandum or
38 other record on file with the holder.

39 6. Credits owed to a customer as a result of a retail business
40 transaction are presumed abandoned three years after the obligation
41 accrued.

42 7. An amount owed by an insurance company on a life or endowment
43 insurance policy or an annuity that has matured or terminated is presumed
44 abandoned three years after the obligation to pay arose or, in the case of
45 a policy or annuity that is payable on proof of death, the amount is
46 presumed abandoned one year after the insured has attained, or would have
47 attained if the insured were living, the limiting age under the mortality

1 table on which the reserve is based. For the purposes of this paragraph,
2 all of the following conditions apply:

3 (a) If a person other than the insured or annuitant is entitled to
4 the owed amount and the person's address is not known to the company or it
5 is not definite and certain from the records of the company who is
6 entitled to the amount, it is presumed that the last known address of the
7 person who is entitled to the amount is the same as the last known address
8 of the insured or annuitant according to the company's records.

9 (b) Notwithstanding any law, if the company learns of the death of
10 the insured or annuitant and the beneficiary has not communicated with the
11 insurer within four months after the death, the company shall take
12 reasonable steps to pay the proceeds to the beneficiary.

13 (c) Every change of beneficiary form issued by an insurance company
14 under any life or endowment insurance policy or annuity contract to an
15 insured or owner who is a resident of this state shall request the
16 following information:

17 (i) The name of each beneficiary, or if a class of beneficiaries is
18 named, the name of each current beneficiary in the class.

19 (ii) The address of each beneficiary.

20 (iii) The relationship of each beneficiary to the insured.

21 8. A life or endowment insurance policy or annuity contract not
22 matured by actual proof of the death of the insured or annuitant according
23 to the company's records is deemed matured and the proceeds are deemed due
24 and payable and are presumed abandoned after one year if all of the
25 following conditions apply:

26 (a) The insured has attained, or would have attained if the insured
27 were living, the limiting age under the mortality table on which the
28 reserve is based.

29 (b) The policy was in force at the time the insured attained or
30 would have attained the limiting age specified in subdivision (a) of this
31 paragraph.

32 (c) Neither the insured nor any other person who appears to have an
33 interest in the policy within the last year according to the company's
34 records has assigned, readjusted or paid premiums on the policy or
35 subjected the policy to a loan, corresponded in writing with the company
36 concerning the policy or otherwise indicated an interest as evidenced by a
37 memorandum or any other record on file with and prepared by an employee of
38 the company.

39 9. Property that is distributable by a business association or
40 financial organization in a course of dissolution is presumed abandoned
41 one year after the property becomes distributable.

42 10. Property that is received by a court as proceeds of a class
43 action and that is not distributed pursuant to the judgment is presumed
44 abandoned one year after the distribution date.

45 11. Property that is held by a court, government or governmental
46 subdivision, agency or instrumentality, except for support as defined in
47 section 25-500 or for spousal maintenance, is presumed abandoned two years

1 after the property becomes distributable. Monies held for the payment of
2 warrants by a state agency that remain unclaimed by the owner at the time
3 of the void date printed on the face of the warrant are presumed
4 abandoned. For the purposes of this paragraph, governmental subdivision
5 does not include a special taxing district as defined in section 48-241.

6 12. Wages or other compensation for personal services is presumed
7 abandoned one year after the compensation becomes payable.

8 13. Property in any individual retirement account, defined benefit
9 plan or other account or plan that qualifies for tax deferral under the
10 income tax laws of the United States is presumed abandoned two years after
11 any of the following, whichever occurs first:

12 (a) The date of the distribution or attempted distribution of the
13 property.

14 (b) The date of the required distribution as stated in the plan or
15 trust agreement that governs the plan.

16 (c) If determinable by the holder, the date specified in the income
17 tax laws of the United States by which distribution of the property must
18 begin in order to avoid a tax penalty.

19 14. Any amount that is payable on a check, draft or similar
20 instrument on which a financial organization or business association is
21 directly liable, including a cashier's check and a certified check, and
22 that has been outstanding for more than three years after the check, draft
23 or similar instrument was payable or after issuance if payable on demand
24 is presumed abandoned unless within three years the owner has communicated
25 in writing with the financial organization or business association
26 concerning the check, draft or similar instrument or otherwise indicated
27 an interest as evidenced by a memorandum or any other record on file and
28 prepared by an employee of the financial organization or business
29 association.

30 15. ANY SECURITY OR ~~[VIRTUAL CURRENCY]~~ [DIGITAL ASSET] THAT CAN
31 RIGHTFULLY BE CLAIMED IS PRESUMED ABANDONED THREE YEARS AFTER THE INITIAL
32 DATE THE SECURITY OR ~~[VIRTUAL CURRENCY]~~ [DIGITAL ASSET] BECOMES
33 CLAIMABLE. THE THREE-YEAR PRESUMPTION OF ABANDONMENT BEGINS WHEN A
34 WRITTEN OR ELECTRONIC COMMUNICATION IS RETURNED TO THE OWNER AS
35 UNDELIVERABLE BY THE UNITED STATES POSTAL SERVICE, OR EMAIL OR ANY OTHER
36 ELECTRONIC MESSAGING METHOD, AS APPLICABLE. THE THREE-YEAR PRESUMPTION OF
37 ABANDONMENT CEASES IMMEDIATELY ON THE EXERCISE OF AN ACT OF OWNERSHIP
38 INTEREST IN THE SECURITY OR ~~[VIRTUAL CURRENCY]~~ [DIGITAL ASSET] OR BY A
39 WRITTEN, ORAL OR ELECTRONIC COMMUNICATION WITH THE HOLDER OF THE SECURITY
40 OR ~~[VIRTUAL CURRENCY]~~ [DIGITAL ASSET] AND THAT IS EVIDENCED BY A
41 MEMORANDUM OR OTHER RECORD THAT IS ON FILE WITH THE HOLDER OR THE HOLDER'S
42 AGENT. FOR THE PURPOSES OF THIS PARAGRAPH, "EXERCISE OF AN ACT OF
43 OWNERSHIP INTEREST" INCLUDES ANY OF THE FOLLOWING:

44 (a) THE OWNER TAKING ACTION REGARDING THE SECURITY OR ~~[VIRTUAL~~
45 ~~CURRENCY]~~ [DIGITAL ASSET].

46 (b) CONDUCTING A TRANSACTION REGARDING THE SECURITY OR ~~[VIRTUAL~~
47 ~~CURRENCY]~~ [DIGITAL ASSET] OR THE ACCOUNT IN WHICH THE SECURITY OR ~~[VIRTUAL~~

1 ~~CURRENCY~~ [DIGITAL ASSET] IS HELD, INCLUDING DEPOSITING MONIES INTO OR
2 WITHDRAWING MONIES FROM THE ACCOUNT, WHETHER BY A ONETIME TRANSACTION OR A
3 RECURRING TRANSACTION THAT WAS PREVIOUSLY AUTHORIZED BY THE OWNER OTHER
4 THAN AN AUTOMATIC REINVESTMENT OF DIVIDENDS OR INTEREST.

5 (c) ELECTRONICALLY ACCESSING THE ACCOUNT IN WHICH THE SECURITY OR
6 ~~[VIRTUAL CURRENCY]~~ [DIGITAL ASSET] IS HELD.

7 (d) CONDUCTING ANY ACTIVITY WITH RESPECT TO ANOTHER ACCOUNT THAT IS
8 OWNED BY THE OWNER AND HELD BY THE SAME HOLDER.

9 (e) TAKING ANY OTHER ACTION THAT REASONABLY DEMONSTRATES TO THE
10 HOLDER THAT THE OWNER KNOWS THE PROPERTY EXISTS.

11 ~~15.~~ 16. All other property is presumed abandoned three years after
12 the owner's rights to demand the property or after the obligation to pay
13 or distribute the property arises, whichever occurs first.

14 ~~16.~~ 17. Excess proceeds deposited with the county treasurer
15 pursuant to section 33-812 are presumed abandoned if the monies remain
16 with the treasurer for at least two years from the date of deposit and
17 there is no pending application for distribution.

18 ~~17.~~ 18. Any dividend, profit, distribution, interest, redemption,
19 payment on principal or other sum held or owing by a business association
20 for or to its shareholder, certificate holder, member, bondholder or other
21 security holder who has not claimed it, or corresponded in writing with
22 the business association concerning it, is presumed abandoned three years
23 after the date prescribed for payment or delivery.

24 B. At the time that an interest is presumed abandoned under
25 subsection A of this section, any other property right accrued or accruing
26 to the owner as a result of the interest, and not previously presumed
27 abandoned, is also presumed abandoned.

28 C. Property is unclaimed if, for the applicable period prescribed
29 in subsection A of this section, the apparent owner has not communicated
30 in writing with the holder or communicated by other means reflected in a
31 contemporaneous record that is prepared by or on behalf of the holder and
32 that concerns the property or the account or accounts in which the
33 property is held and has not otherwise indicated an interest in the
34 property and if the holder has not communicated in writing with regard to
35 the property that would otherwise be unclaimed. A communication with an
36 owner by a person other than the holder or the holder's representative who
37 has not identified the property in writing to the owner is not an
38 indication of interest in the property by the owner.

39 D. An indication of an owner's interest in property includes:

40 1. ~~The presentment of~~ PRESENTING any check or other instrument of
41 payment of any dividend or other distribution that is made with respect to
42 any account, underlying stock or other interest in a business association
43 or financial organization. If the distribution is made by electronic or
44 similar means, an indication of an owner's interest includes evidence that
45 the distribution has been received.

46 2. ~~Activity directed by~~ The owner DIRECTING ANY ACTIVITY in the
47 account in which the property is held, including a direction by the owner

1 to increase, decrease or change the amount or type of property held in the
2 account.

3 3. ~~The Making of~~ a deposit to or withdrawal from a bank account.

4 4. ~~The payment of~~ **PAYING** a premium with respect to a property
5 interest in an insurance policy. The application of an automatic premium
6 loan provision or any other nonforfeiture provision in an insurance policy
7 does not prevent a policy from maturing or terminating if the insured has
8 died or if the insured or the beneficiary of the policy has otherwise
9 become entitled to the proceeds before the depletion of the cash surrender
10 value of a policy by the application of those provisions.

11 E. Property is payable or distributable notwithstanding the owner's
12 failure to make demand or present an instrument or document otherwise
13 required to obtain payment.

14 Sec. 3. Section 44-308, Arizona Revised Statutes, is amended to
15 read:

16 **44-308. Payment or delivery of abandoned property**

17 A. On filing the report prescribed in section 44-307, the holder of
18 property that is presumed abandoned shall pay, deliver or cause to be paid
19 or delivered to the department the property described in the report as
20 unclaimed. If the property is an automatically renewable deposit and a
21 penalty or forfeiture in the payment of interest would result, the time
22 for compliance is extended until a penalty or forfeiture would no longer
23 result. The holder of tangible property held in a safe deposit box or any
24 other safekeeping depository shall deliver the property to the department
25 on filing the report prescribed in section 44-307.

26 B. If the property reported to the department is a security or
27 security entitlement pursuant to title 47, chapter 8, the department may
28 make an endorsement, instruction or entitlement order on behalf of the
29 apparent owner to invoke the duty of the issuer or its transfer agent or
30 the securities intermediary to transfer or dispose of the security or the
31 security entitlement in accordance with title 47, chapter 8.

32 C. If the holder of property reported to the department is the
33 issuer of a certificated security, the department has the right to obtain
34 a replacement certificate pursuant to section 47-8405, but an indemnity
35 bond is not required.

36 **D. IF THE PROPERTY REPORTED TO THE DEPARTMENT IS [VIRTUAL CURRENCY]**
37 **[DIGITAL ASSET], THE HOLDER SHALL REPORT AND DELIVER THE [VIRTUAL**
38 **CURRENCY] [DIGITAL ASSET] IN ITS NATIVE FORM TO THE DEPARTMENT OR THE**
39 **DEPARTMENT'S DESIGNATED QUALIFIED CUSTODIAN WITHIN THIRTY DAYS AFTER**
40 **REPORTING THE PROPERTY ABANDONED. [THE QUALIFIED CUSTODIAN, ON THE**
41 **EXERCISE OF DUE DILIGENCE, MAY STAKE, AIRDROP OR INVEST THE DIGITAL ASSETS**
42 **HELD IN A LOW-RISK MANNER. UPON THE EXPIRATION OF THREE YEARS FROM THE**
43 **DATE THE DIGITAL ASSET WAS TRANSFERRED TO THE QUALIFIED CUSTODIAN AND IF**
44 **THE PROPERTY REMAINS UNCLAIMED, ANY AIRDROPS, STAKING REWARDS OR INTEREST**
45 **EARNED SHALL BE TRANSFERRED TO THE BITCOIN AND DIGITAL ASSET RESERVE FUND**
46 **ESTABLISHED IN SECTION 41-180.] IF THE HOLDER ONLY POSSESSES A PARTIAL**
47 **PRIVATE KEY TO THE [VIRTUAL CURRENCY] [DIGITAL ASSET] OR IS UNABLE TO MOVE**

1 THE ~~[VIRTUAL CURRENCY]~~ [DIGITAL ASSET], THE HOLDER SHALL MAINTAIN THE
2 ~~[VIRTUAL CURRENCY]~~ [DIGITAL ASSET] UNTIL THE ADDITIONAL KEYS REQUIRED TO
3 TRANSFER THE ~~[VIRTUAL CURRENCY]~~ [DIGITAL ASSET] BECOME AVAILABLE. FOR THE
4 PURPOSES OF THIS SUBSECTION, "QUALIFIED CUSTODIAN" MEANS ANY OF THE
5 FOLLOWING THAT IS LICENSED IN THIS STATE TO SELL ~~[VIRTUAL CURRENCY]~~
6 [DIGITAL ASSET] AND OFFER CUSTODY SERVICES TO CUSTOMERS:

- 7 1. A COMPANY.
- 8 2. A FEDERAL OR STATE CHARTERED BANK.
- 9 3. A TRUST COMPANY.
- 10 4. A SPECIAL PURPOSE DEPOSITORY INSTITUTION.

11 ~~D.~~ E. An issuer, the holder and any transfer agent or other person
12 who acts pursuant to the instructions and on behalf of the issuer or
13 holder in accordance with this section are not liable to the apparent
14 owner and are indemnified against all claims of any person in accordance
15 with section 44-310.

16 ~~E.~~ F. Each month a holder of property reported pursuant to section
17 44-307, subsection H shall remit the property with the report of property
18 presumed abandoned or other form prescribed by the department.

19 Sec. 4. Section 44-312, Arizona Revised Statutes, is amended to
20 read:

21 ~~44-312.~~ Public sale of abandoned property: prohibition

22 A. Except as otherwise provided in this section, within three years
23 after receiving abandoned property the department shall sell the property
24 to the highest bidder at a public sale at a location in this state that in
25 the judgment of the department affords the most favorable market for the
26 property. The department may decline the highest bid and reoffer the
27 property for sale if the department considers the bid to be insufficient.
28 The department is not required to offer the property for sale if the
29 department determines that the probable cost of the sale will exceed the
30 proceeds from the sale. Before conducting a sale pursuant to this
31 section, the department shall cause a notice to be published at least
32 three weeks before the sale in a newspaper of general circulation in the
33 county in which the sale will occur.

34 B. The department shall sell securities that are listed on an
35 established stock exchange at prices prevailing on the exchange at the
36 time of the sale. The department may sell other securities over the
37 counter at prices prevailing at the time of the sale or by any reasonable
38 method selected by the department.

39 C. THE DEPARTMENT MAY NOT SELL A SECURITY OR ~~[VIRTUAL CURRENCY]~~
40 [DIGITAL ASSET] LISTED ON AN ESTABLISHED STOCK OR A ~~[VIRTUAL CURRENCY]~~
41 [DIGITAL ASSET] EXCHANGE FOR LESS THAN THE PREVAILING PRICE THAT IS LISTED
42 ON THE EXCHANGE AT THE TIME OF SALE. THE DEPARTMENT MAY SELL A SECURITY
43 OR ~~[VIRTUAL CURRENCY]~~ [DIGITAL ASSET] NOT LISTED ON AN ESTABLISHED
44 EXCHANGE BY ANY COMMERCIALY REASONABLE METHOD.

45 ~~E.~~ D. A person who makes a claim pursuant to this chapter for
46 securities is entitled to receive from the department the securities that
47 the holder delivered to the department if the securities remain in the

1 department's custody or the person is entitled to receive the net proceeds
2 of the sale. Except in a case of intentional misconduct or malfeasance by
3 the department, the person is not entitled to receive any appreciation in
4 the value of the property that occurred after the delivery to the
5 department.

6 ~~D.~~ E. A purchaser of property at a sale conducted by the
7 department pursuant to this chapter takes the property free of all claims
8 of the owner or previous holder and of all persons claiming through or
9 under the owner or previous holder. The department shall execute all
10 documents necessary to complete the transfer of ownership.

11 Enroll and engross to conform

12 Amend title to conform

And, as so amended, it do pass

JEFF WENINGER
CHAIRMAN

2749COMMERCE.docx

02/11/2025

04:05 PM

H: PB/ljs