

## HB104 INTRODUCED



1 HB104  
2 7B94TVV-1  
3 By Representatives Blackshear, Whitt  
4 RFD: Financial Services  
5 First Read: 13-Jan-26  
6 PFD: 06-Jan-26



SYNOPSIS:

Under existing law, abandoned property is subject to the custody of the State Treasurer.

This bill would authorize the State Treasurer to take custody of abandoned digital assets and establish guidelines for the disposal of those assets.

This bill would authorize the State Treasurer to order the liquidation of certain digital assets.

This bill would also clarify the requirements of an enforceable agreement between owners or apparent owners and finders to locate, recover, or assist in the recovery of unclaimed property held by the State Treasurer.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to unclaimed property; to amend Sections 35-12-71, 35-12-72, 35-12-76, 35-12-80, and 35-12-93, Code of Alabama 1975; to establish guidelines for abandoned digital assets; to authorize the liquidation of certain abandoned digital assets; and to clarify the requirements of an enforceable agreement to locate, recover, or assist in the



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recovery of unclaimed property held by the State Treasurer.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 35-12-71, 35-12-72, 35-12-76, 35-12-80, and 35-12-93, Code of Alabama 1975, are amended to read as follows:

"§35-12-71

As used in this article, unless the context otherwise requires, the following terms ~~shall~~ have the meanings respectively ascribed to them by this section:

(1) APPARENT OWNER. A person whose name appears on the records of a holder as the person entitled to property held, issued, or owing by the holder.

(2) BUSINESS ASSOCIATION. A corporation, joint stock company, investment company, partnership, unincorporated association, joint venture, limited liability company, business trust, trust company, safe deposit company, financial organization, insurance company, mutual fund, utility, or other business entity consisting of one or more persons, whether or not for profit.

(3) DIGITAL ASSET. Any digital representation used as a medium of exchange or storage of value which is not fiat currency and is recorded in a cryptographically secured, distributed ledger, or any similar technology, regardless of whether each individual transaction is recorded in that ledger. The term does not include any software or protocols governing the transfer of digital representation of value, video game-related digital content, or loyalty or gift cards.

~~(3)~~ (4) DOMICILE. The state of incorporation of a



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corporation and the state of the principal place of business of a holder other than a corporation.

~~(4)~~ (5) FINANCIAL ORGANIZATION. A savings and loan association, building and loan association, industrial loan organization, credit union, cooperative bank, bank, or banking organization.

(6) FINDER. Any person engaged or assisting in the location, recovery, purchase, or assignment of property held by the State Treasurer for a fee, compensation, commission, or other remuneration paid by the owner or apparent owner of the property.

~~(5)~~ (7) HOLDER. A person in possession of property belonging to another, or who is a trustee in case of a trust, obligated to hold for the account of, or deliver to, or pay to, the owner or apparent owner as applicable, property that is subject to this article.

~~(6)~~ (8) INSURANCE COMPANY. An association, corporation, or fraternal or mutual benefit organization, whether or not for profit, engaged in the business of providing life endowments, annuities, or insurance, including, but not limited to, accidental, burial, casualty, credit life, contract performance, dental, disability, fidelity, fire, health, hospitalization, illness, life, malpractice, marine, mortgage, surety, wage protection, and workers' compensation insurance.

(9) LAST KNOWN ADDRESS. Any address, description, or other indication of the location of the apparent owner. The address, description, or other indication, at a minimum, shall



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identify the state that the apparent owner was located in, and does not need to be sufficient to direct the delivery of first class U.S. mail to the apparent owner.

~~(7)~~ (10) MINERAL. Gas; oil; coal; other gaseous, liquid, and solid hydrocarbons; oil shale; cement material; sand and gravel; road material; building stone; chemical raw material; gemstone; fissionable and nonfissionable ores; colloidal and other clay; steam and other geothermal resource; or any other substance defined as a mineral by the law of this state.

~~(8)~~ (11) MINERAL PROCEEDS. Amounts payable for the extraction, production, or sale of minerals, or, upon the abandonment of those payments, all payments that become payable thereafter. The term includes the following amounts payable:

a. For the acquisition and retention of a mineral lease, including bonuses, royalties, compensatory royalties, shut-in royalties, minimum royalties, and delay rentals.

b. For the extraction, production, or sale of minerals, including net revenue interests, royalties, overriding royalties, extraction payments, and production payments.

c. Under an agreement or option, including a joint operating agreement, unit agreement, pooling agreement, and farm-out agreement.

~~(9)~~ (12) OWNER. A person who has a legal or equitable interest in property subject to this article or the person's legal representative. The term includes a depositor in the case of a deposit, a beneficiary in the case of a trust other than a deposit in trust, and a creditor, claimant, or payee in



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the case of other property.

~~(10)~~ (13) PERSON. An individual, business association, financial organization, estate, trust, government, governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

(14) PRIVATE KEY. A unique element of cryptographic data known only by the owner and used for signing transactions on a cryptographically secured, distributed ledger.

~~(11)~~ (15) PROPERTY. Tangible property held in a safe deposit box or other safekeeping depository in this state, and fixed and certain interest in intangible 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 therefrom. The term includes, but is not limited to, property that is referred to as or evidenced by any of the following:

a. Money, a check, draft, deposit, interest, or dividend.

b. Credit balance, customer's overpayment, gift certificate, security deposit, refund, credit memorandum, unpaid wage, unused ticket, mineral proceeds, or unidentified remittance.

c. Stock or other evidence of ownership of an interest in a business association or financial organization.

d. A bond, debenture, note, or other evidence of indebtedness.

e. Money deposited to redeem stocks, bonds, coupons, or other securities or to make distributions.



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f. An amount due and payable under the terms of an annuity or insurance policy, including, but not limited to, policies providing life insurance, property and casualty insurance, workers' compensation insurance, or health and disability insurance.

g. An amount distributable from a trust or custodial fund established under a plan to provide health, welfare, pension, vacation, severance, retirement, death, stock purchase, profit sharing, employee savings, supplemental unemployment insurance, or similar benefits.

~~(12)~~ (16) RECORD. Information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

~~(13)~~ (17) RULES. Rules necessary to carry out this article adopted pursuant to the Administrative Procedure Act.

~~(14)~~ (18) STATE. A state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

~~(15)~~ (19) STATE TREASURER. The Treasurer of the State of Alabama, or the designee of the State Treasurer.

~~(16)~~ (20) UTILITY. Any person who owns or operates, for public use, any plant, equipment, real property, franchise, or license for the transmission of communications or the production, storage, transmission, sale, delivery, or furnishing of electricity, water, steam, or gas."

"§35-12-72

(a) Property is presumed abandoned if it is unclaimed



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by the apparent owner during the time set forth below for the following types of particular property:

(1) Traveler's checks, 15 years after issuance.

(2) Money order, five years after issuance.

(3) A demand, savings, or time deposit including a deposit that is automatically renewable, three years after the earlier of maturity, as extended from time to time, or the date of the last indication by the apparent owner of interest in the property.

(4) Tangible and intangible property held in a safe deposit box or other safekeeping depository in this state in the ordinary course of the holder's business and proceeds resulting from the sale of the property permitted by other law, three years after expiration of the lease or rental period on the box or other depository.

(5) Money or credits owed to a customer as a result of a retail business transaction, one year after the obligation accrued.

(6) Property in an individual retirement account, defined benefit plan, or other account or plan that is qualified for tax deferral under the income tax laws of the United States, three years after the earlier of: ~~a.~~ (i) the date of the distribution or attempted distribution of the property; ~~b.~~ (ii) the date of the required distribution as stated in the plan or trust agreement governing the plan; or ~~c.~~ (iii) the date, if determinable by the holder, specified in the income tax laws of the United States by which distribution of the property must begin in order to avoid a tax penalty.





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(7) Stock or other equity interest in a business association or financial organization, including a security entitlement under Article 8 of Title 7, the Uniform Commercial Code, three years after the earlier of: ~~a.~~ (i) the date of the most recent dividend, stock split, or other distribution unclaimed by the apparent owner; or ~~b.~~ (ii) the date of the second mailing of a statement of account or other notification or communication that was returned as undeliverable or after the holder discontinued mailings, notifications, or communications to the apparent owner.

(8) Debt of a business association or financial organization, other than a bearer bond or an original issue discount bond covered under subdivision ~~(18)~~ (19), three years after the date of the most recent interest payment unclaimed by the apparent owner.

(9) Property distributable by a business association or financial organization in a course of dissolution, one year after the property becomes distributable.

(10) Amount owed by an insurer on a life or endowment insurance policy or an annuity that has matured or terminated, three years after the obligation to pay arose or, in the case of a policy or annuity payable upon proof of death, three years after the insured has attained, or would have attained if living, the limiting age under the mortality table on which the reserve is based.

(11) Property distributable in the course of a demutualization or related reorganization of an insurance company shall be deemed abandoned as follows:



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a. Any funds, two years after the date of the demutualization or reorganization, if the funds remain unclaimed, and the owner has not otherwise communicated with the holder or its agent regarding the property as evidenced by a memorandum or other record on file with the holder or its agent.

b. Any stock or other equity interest, two years after the date of the demutualization or reorganization if instruments or statements reflecting the distribution are either mailed to the owner and returned by the post office as undeliverable, or not mailed to the owner because of an address on the books and records of the holder that is known to be incorrect and the owner has not otherwise communicated with the holder or its agent regarding the property as evidenced by a memorandum or other record on file with the holder or its agent.

c. Property not subject to paragraphs a. or b. within two years of the distribution shall remain reportable under other sections of this article.

(12) Property received by a court as proceeds of a class action, and not distributed pursuant to the judgment, one year after the distribution date.

(13) Property held by a court, government, governmental subdivision, agency, or instrumentality, one year after the property becomes distributable.

(14) Wages or other compensation for personal services, one year after the compensation becomes payable.

(15) Deposit or refund owed to a subscriber by a



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utility, one year after the deposit or refund becomes payable.

(16) Any check, warrant, debit card, or other payment instrument drawn on or issued by the State of Alabama, outstanding and unpaid within the time frame allowed under Section 41-4-60.

(17) Gift certificate, other than those exempt under Section 35-12-73, three years after June 30 of the year in which the certificate was sold, but if redeemable in merchandise only, the amount abandoned is deemed to be 60 percent of the certificate's face value.

(18) Property held in a digital asset account where the last known address of the apparent owner is located in this state, three years after the last activity by the apparent owner.

a. For purposes of this subdivision, "activity" includes, but is not limited to, the following actions:

1. Accessing a password-protected account.

2. Responding to outreach by the holder regarding the property.

3. Conducting a transaction regarding the property or account in which the property is held, including deposits into or withdrawals from the account.

4. Any other action that reasonably demonstrates to the holder that the apparent owner is aware the property exists.

b. For purposes of this subdivision, "activity" does not include any automated, recurring, or prescheduled debit or credit transaction.

~~(18)~~ (19) All other property, three years after the



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owner's right to demand the property or after the obligation to pay or distribute the property arises, whichever first occurs.

(b) At the time that an interest is presumed abandoned under subsection (a), any other property right accrued or accruing to the owner as a result of the interest, and not previously presumed abandoned, is also presumed abandoned.

(c) Property is unclaimed if, for the applicable period set forth in subsection (a), the apparent owner has not communicated in writing, or by other means reflected in a contemporaneous record prepared by or on behalf of the holder, with the holder concerning the property or the account in which the property is held, and has not otherwise indicated an interest in the property. A communication with an owner by a person other than the holder or its representative who has not in writing identified the property to the owner is not an indication of interest in the property by the owner.

(d) An indication of an owner's or apparent owner's interest in property includes any of the following:

(1) The presentment of a check or other instrument of payment of a dividend or other distribution made with respect to an account or underlying stock or other interest in a business association or financial organization or, in the case of a distribution made by electronic or similar means, evidence that the distribution has been received.

(2) Owner-directed activity in the account in which the property is held, including a direction by the owner to increase, decrease, or change the amount or type of property



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309 held in the account.

310 (3) The making of a deposit to or withdrawal from a  
311 bank account. Any correspondence in writing from the holder to  
312 the apparent owner, such as the mailing of a statement, report  
313 of interest paid or credited, renewal of a deposit or other  
314 written information relating to the deposit shall be construed  
315 to mean that the apparent owner has indicated an interest in  
316 the deposit if the correspondence in writing is not returned  
317 to the holder for nondelivery thereof. Any activity or  
318 indication of interest by an apparent owner in the deposit or  
319 in any other deposits in a holder shall be construed to be  
320 activity and indication of interest in all other deposits of  
321 the apparent owner in the holder.

322 (4) The payment of a premium with respect to a property  
323 interest in an insurance policy; but the application of an  
324 automatic premium loan provision or other nonforfeiture  
325 provision contained in an insurance policy does not prevent a  
326 policy from maturing or terminating if the insured has died or  
327 the insured or the beneficiary of the policy has otherwise  
328 become entitled to the proceeds before the depletion of the  
329 cash surrender value of a policy by the application of those  
330 provisions.

331 (e) Property is payable or distributable for purposes  
332 of this article notwithstanding the failure of the owner or  
333 apparent owner to make demand or present an instrument or  
334 document otherwise required to obtain payment."

335 "§35-12-76

336 (a) A holder of property presumed abandoned shall make



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a report to the State Treasurer concerning the property. The report shall be filed electronically and the monies remitted electronically. The State Treasurer may grant an exception upon written request as established by rule. A report should contain only tangible property or intangible property. If a holder possesses both property types, two reports shall be filed.

(b) The report must be verified, balanced, and must contain, at a minimum, all of the following:

(1) A description of the property.

(2) The date, if any, on which the property became payable, demandable, or returnable, and the date of the last transaction with the apparent owner with respect to the property.

(3) Other information that the State Treasurer by rule prescribes as necessary for the administration of this article.

(4) Except with respect to a traveler's check, money order, or State of Alabama issued payment instruments, the name, if known, the last known address, if any, and the Social Security number or taxpayer identification number, if readily ascertainable, of the apparent owner of property in an amount greater than the aggregate amount established by rule.

(5) In the case of property held or owing under an annuity or a life or endowment insurance policy, the policy number, the full name, Social Security number, if known, date of birth, if known, and last known address, of the annuitant or insured and of the beneficiary.



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(6) In the case of expired State of Alabama issued warrants or other payment instruments, the full name of the owner/payee, warrant or account number, date of issuance, owner address, and Social Security number, if known.

(7) In the case of property held in a safe deposit box or other safekeeping depository, an indication of the place where it was held, the full name and last known address of the apparent owner, and any amounts owing to the holder.

(8) In the case of individual items valued under fifty dollars (\$50), or a greater amount if established by rule, an aggregated amount.

(c) The report shall be filed before November 1 of each year and cover the 12 months next preceding July 1 of that year.

(d) The holder shall send written notice to the apparent owner, not less than 60 days before filing the report, stating that the holder is in possession of property subject to this article, if all of the following requirements are met:

(1) The holder has in its records an address for the apparent owner which the holder's records do not disclose to be inaccurate.

(2) The claim of the apparent owner is not barred by a statute of limitations.

(3) The value of the property is fifty dollars (\$50) or a greater amount as established by rule.

(e) If the property presumed to be abandoned is a security, a digital asset, or the contents of a safe deposit



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393 box, the notice shall advise the apparent owner that the  
394 property may be liquidated if the apparent owner does not  
395 provide a timely response to the holder.

396 ~~(e)~~ (f) State of Alabama issued warrants or other  
397 payment instruments outstanding and unpaid are void and  
398 transferred to the Unclaimed Property Reserve Fund pursuant to  
399 Section 41-4-60. Therefore, subsection (d) does not apply.

400 ~~(f)~~ (g) Before the date for filing the report, the  
401 holder may request the State Treasurer to extend the time for  
402 filing the report. The State Treasurer may grant the extension  
403 for good cause. The holder, upon receipt of the extension, may  
404 make an interim payment on the amount the holder estimates  
405 will ultimately be due, which terminates the accrual of  
406 penalties, if any, on the amount paid."

407 "§35-12-80

408 (a) Except as otherwise provided in this section, the  
409 State Treasurer, within three years after the receipt of  
410 abandoned property, shall sell it to the highest bidder at  
411 public sale. The State Treasurer may decline the highest bid  
412 and reoffer the property for sale if the State Treasurer  
413 considers the bid to be insufficient. The State Treasurer need  
414 not offer the property for sale, if the State Treasurer  
415 considers that the probable cost of sale will exceed the  
416 proceeds of the sale. A sale held under this section shall be  
417 preceded by a minimum of a single publication of notice, at  
418 least three weeks before sale, ~~in a newspaper of general~~  
419 ~~circulation in the county in which the property is to be sold.~~

420 (b) Securities listed on an established stock exchange





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must be sold at prices prevailing on the exchange at the time of sale. Other securities may be sold over the counter at prices prevailing at the time of sale or by any reasonable method selected by the State Treasurer. All securities delivered to the State Treasurer may be sold upon receipt.

(c) (1) Digital assets listed on an established exchange must be sold at prices prevailing on the exchange at the time of sale. Other digital assets may be sold over the counter at prices prevailing at the time of sale or by any reasonable method selected by the State Treasurer. All digital assets delivered to the State Treasurer may be sold upon receipt.

(2) If the holder has a private key, credential, or other information necessary to effectuate the transfer of digital assets presumed abandoned, the holder shall report the digital asset and, within 30 days after filing the report, deliver the digital asset, in native form, into the custody of the State Treasurer. The holder shall comply with any delivery instructions given by the State Treasurer. Within 30 days after delivery of the digital asset, the holder shall provide the State Treasurer with reconciliation of the delivered asset with respect to the report filed.

(3) If the holder does not have sufficient information to effectuate a transfer of a digital asset, the holder shall maintain possession of the digital asset until the holder acquires the information necessary to effectuate the transfer.

(4) The State Treasurer may decline to accept a digital asset presumed abandoned if the State Treasurer determines that the digital asset is not freely transferable, is of



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nominal value, or has value of less than the estimated expenses of maintenance, notice, and sale of the digital asset. The State Treasurer may also identify classes or types of digital assets that are exempt from reporting or liquidation.

(5) The State Treasurer may direct a holder of a digital asset presumed abandoned to liquidate the digital asset. The order to liquidate may be provided in the recording instructions for the year that a report is due. The holder shall liquidate the digital asset within 30 days after the filing of a report.

~~(e)~~ (d) Any person making a claim pursuant to this section is entitled to receive either the property delivered by the holder, if it still remains in custody of the State Treasurer, or the proceeds received from sale, less any fees and expenses incurred from the sale if deducted. No person has any claim under this article against the state, the State Treasurer, the holder, any transfer agent, any auctioneer, or any person acting for or on behalf of the holder or State Treasurer for any appreciation or depreciation in the value of property occurring after ~~delivery by the holder to the Treasurer~~ its liquidation.

~~(d)~~ (e) A purchaser of property at a sale conducted by the State Treasurer pursuant to this article takes the property free of all claims of the owner or previous holder and of all persons claiming through or under them. The State Treasurer shall execute all documents necessary to complete the transfer of ownership."



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477           "§35-12-93

478           (a) An agreement by an owner, the primary purpose of  
479       which is to locate, ~~deliver,~~ recover, or assist in the  
480       recovery of property that is presumed abandoned, is void and  
481       unenforceable if it was entered into during the period  
482       commencing on the date the property was presumed abandoned and  
483       extending to a time that is 24 months after the date the  
484       property is paid or delivered to the State Treasurer. This  
485       subsection does not apply to an owner's agreement with an  
486       attorney to file a claim as to identified property or contest  
487       the State Treasurer's denial of a claim.

488           (b) An agreement by an owner or an apparent owner and a  
489       finder, the primary purpose of which is to locate, ~~deliver,~~  
490       recover, or assist in the location or recovery of property  
491       held by the State Treasurer, is enforceable only if the  
492       agreement:

493               (1) ~~the agreement is~~Is in writing~~;~~;

494               (2) ~~clearly~~Clearly sets forth the nature of the  
495       property and the services to be rendered~~;~~;

496               (3) ~~states~~States that the property is in the custody of  
497       the State of Alabama Treasurer's Office and provides contact  
498       information for recovering the property~~;~~;

499               (4) States that the property may be recovered from the  
500       State Treasurer without the payment of a fee;

501               (5) ~~is~~Is signed by the apparent owner, states the  
502       compensation fee percentage ~~of,~~ compensation, commission, or  
503       other remuneration based on the value of the amount to be  
504       claimed~~;~~; and



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505 (6) ~~states~~States any other compensation to be deducted.

506 (c) In conjunction with the filing of any claim  
507 involving an agreement by an owner or apparent owner and a  
508 finder, the State Treasurer shall receive from the claimant a  
509 full and unredacted copy of the agreement signed by the owner  
510 or apparent owner and the finder.

511 ~~(e)~~ (d) If an agreement covered by this section applies  
512 to mineral proceeds and the agreement contains a provision to  
513 pay compensation that includes a portion of the underlying  
514 minerals or any mineral proceeds not then presumed abandoned,  
515 the provision is void and unenforceable.

516 ~~(d)~~ (e) Total compensation in an agreement covered by  
517 this section may not exceed 10 percent of the value of the  
518 amount claimed. The purchase, assignment, or other conveyance  
519 of unclaimed property to a finder, resulting in a net fee,  
520 compensation, commission, remuneration, or other profit to the  
521 finder in excess of 10 percent of the amount collected is  
522 prohibited.

523 ~~(e)~~ (f) This section does not preclude an apparent owner  
524 or the State Treasurer from asserting that an agreement  
525 covered by this section is invalid on grounds other than  
526 ~~unconscionable compensation. It is the sole responsibility of~~  
527 ~~the owner to enforce this section~~ it provides for payment of  
528 compensation in excess of the amount authorized in subsection  
529 (e)."

530 Section 2. This act shall become effective on June 1,  
531 2026.