



***Substitute House Bill No. 6990***

***Public Act No. 25-41***

***AN ACT CONCERNING THE SEIZURE AND FORFEITURE OF  
VIRTUAL CURRENCY AND VIRTUAL CURRENCY WALLETS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (*Effective July 1, 2026*) (a) As used in this section, (1) "property" includes, but is not limited to, virtual currency and virtual currency wallets; (2) "virtual currency" has the same meaning as provided in section 36a-596 of the general statutes; (3) "virtual currency kiosk" has the same meaning as provided in section 36a-596 of the general statutes; and (4) "virtual currency wallet" has the same meaning as provided in section 36a-596 of the general statutes.

(b) The following property shall be subject to forfeiture to the state pursuant to subsection (c) of this section:

(1) All virtual currency possessed, controlled, designed or used as a means of committing a violation of section 53a-122, 53a-123, 53a-124, 53a-125, 53a-125a or 53a-125b of the general statutes, or that constitutes the proceeds of the commission of a violation of section 53a-122, 53a-123, 53a-124, 53a-125, 53a-125a or 53a-125b of the general statutes; and

(2) All virtual currency wallets, including the contents thereof, even if such contents are commingled with other property, that are possessed, controlled, designed or used as a means of committing a violation of

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section 53a-122, 53a-123, 53a-124, 53a-125, 53a-125a or 53a-125b of the general statutes, or that constitute the proceeds of the commission of a violation of section 53a-122, 53a-123, 53a-124, 53a-125, 53a-125a or 53a-125b of the general statutes.

(c) Not later than ninety days after the seizure of virtual currency or a virtual currency wallet subject to forfeiture pursuant to subsection (b) of this section, in connection with a lawful criminal arrest or a lawful search, the Chief State's Attorney or a deputy chief state's attorney, state's attorney or assistant or deputy assistant state's attorney may petition the court in the nature of a proceeding in rem to order forfeiture of such virtual currency or virtual currency wallet. Such forfeiture proceeding shall be deemed a civil suit in equity, in which the state shall have the burden of proving all material facts by clear and convincing evidence. The court shall identify the owner of such virtual currency or virtual currency wallet and any other person who appears to have an interest therein, and order the state to give notice to such owner and any interested person by certified or registered mail or, if the Chief State's Attorney or a deputy chief state's attorney, state's attorney or assistant or deputy assistant state's attorney demonstrates that notice by other means, including, but not limited to, electronic means, would be sufficient and appropriate under the circumstances, by such other means. The court shall promptly, but not less than two weeks after such notice has been given, hold a hearing on the petition. No testimony offered or evidence produced by such owner or interested person at such hearing, and no evidence discovered as a result of or otherwise derived from such testimony or evidence, may be used against such owner or interested person in any proceeding, except that no such owner or interested person shall be immune from prosecution for perjury or contempt committed while giving such testimony or producing such evidence. At such hearing, the court shall hear evidence, make findings of fact, enter conclusions of law and issue a final order from which the parties shall have such right of appeal as from a decree

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in equity.

(d) No property shall be forfeited under this section to the extent of the interest of an owner or lienholder by reason of any act or omission committed by another person if such owner or lienholder did not know and could not have reasonably known that such property was being used or was intended to be used in, or was derived from, criminal activity.

(e) Notwithstanding the provisions of subsection (b) of this section, no property used or intended to be used by the owner thereof to pay legitimate attorney's fees in connection with such owner's defense in a criminal prosecution shall be subject to forfeiture under this section.

(f) Any property forfeited under this section shall be used to compensate the victims who suffer a pecuniary loss as a result of the violation of section 53a-122, 53a-123, 53a-124, 53a-125, 53a-125a or 53a-125b of the general statutes that gives rise to the forfeiture of such property.

(g) Nothing in this section shall be construed as authorizing the seizure or forfeiture of a virtual currency kiosk.

Sec. 2. Subsection (a) of section 54-36a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2026*):

(a) As used in this section, sections 53-278c and 54-36c: (1) "Contraband" means any property, the possession of which is prohibited by any provision of the general statutes; (2) ["stolen property" shall include, but not be limited to, cash or the proceeds from the sale of such property obtained by theft or other illegal means; (3)] "owner" means a person or persons entitled to seized property as a matter of law or fact; (3) "property" includes, but is not limited to, virtual currency and virtual currency wallets; (4) "stolen property" includes, but

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is not limited to, cash, virtual currency, virtual currency wallets or the proceeds from the sale of such property obtained by theft or other illegal means; (5) "virtual currency" has the same meaning as provided in section 36a-596; and (6) "virtual currency wallet" has the same meaning as provided in section 36a-596.

Sec. 3. Section 54-36h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2026*):

(a) As used in this section, (1) "property" includes, but is not limited to, virtual currency and virtual currency wallets; (2) "virtual currency" has the same meaning as provided in section 36a-596; and (3) "virtual currency wallet" has the same meaning as provided in section 36a-596.

[(a)] (b) The following property shall be subject to forfeiture to the state pursuant to subsection [(b)] (c) of this section:

(1) All moneys used, or intended for use, in the procurement, manufacture, compounding, processing, delivery or distribution of any controlled substance, as defined in section 21a-240;

(2) All property constituting the proceeds obtained, directly or indirectly, from any sale or exchange of any such controlled substance in violation of section 21a-277 or 21a-278;

(3) All property derived from the proceeds obtained, directly or indirectly, from any sale or exchange for pecuniary gain of any such controlled substance in violation of section 21a-277 or 21a-278;

(4) All property used or intended for use, in any manner or part, to commit or facilitate the commission of a violation for pecuniary gain of section 21a-277 or 21a-278; and

(5) All property constituting, or derived from, the proceeds obtained, directly or indirectly, by a corporation as a result of a violation of section

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53a-276, 53a-277 or 53a-278.

[(b)] (c) Not later than ninety days after the seizure of moneys or property subject to forfeiture pursuant to subsection [(a)] (b) of this section, in connection with a lawful criminal arrest or a lawful search that results in an arrest, the Chief State's Attorney or a deputy chief state's attorney, state's attorney or assistant or deputy assistant state's attorney may petition the court in the nature of a proceeding in rem to order forfeiture of said moneys or property. Such proceeding shall be deemed a civil suit in equity, in which the state shall have the burden of proving all material facts by clear and convincing evidence. The court shall identify the owner of said moneys or property and any other person as appears to have an interest therein, and order the state to give notice to such owner and any interested person by certified or registered mail or, if the property seized is virtual currency or a virtual currency wallet and the Chief State's Attorney or a deputy chief state's attorney, state's attorney or assistant or deputy assistant state's attorney demonstrates that notice by other means, including, but not limited to, electronic means, would be sufficient and appropriate under the circumstances, by such other means. No testimony offered or evidence produced by such owner or interested person at such hearing and no evidence discovered as a result of or otherwise derived from such testimony or evidence, may be used against such owner or interested person in any proceeding, except that no such owner or interested person shall be immune from prosecution for perjury or contempt committed while giving such testimony or producing such evidence. At such hearing the court shall hear evidence and make findings of fact and enter conclusions of law and shall issue a final order, from which the parties shall have such right of appeal as from a decree in equity.

[(c)] (d) The court shall hold a hearing on the petition filed pursuant to subsection [(a)] (c) of this section not more than two weeks after the criminal proceeding that occurred as a result of the arrest has been

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nolled, dismissed or otherwise disposed of. The court shall deny the petition and return the property to the owner if the criminal proceeding does not result in (1) a plea of guilty or nolo contendere to any offense charged in the same criminal information, (2) a guilty verdict after trial to a forfeiture-eligible offense for which the property was possessed, controlled, designed or intended for use, or which was or had been used as a means of committing such offense, or which constitutes the proceeds of the commission of such offense, or (3) a dismissal resulting from the completion of a pretrial diversionary program.

[(d)] (e) No property shall be forfeited under this section to the extent of the interest of an owner or lienholder by reason of any act or omission committed by another person if such owner or lienholder did not know and could not have reasonably known that such property was being used or was intended to be used in, or was derived from, criminal activity.

[(e)] (f) Notwithstanding the provisions of subsection [(a)] (b) of this section, no moneys or property used or intended to be used by the owner thereof to pay legitimate attorney's fees in connection with [his] such owner's defense in a criminal prosecution shall be subject to forfeiture under this section.

[(f)] (g) Any property ordered forfeited pursuant to subsection [(b)] (c) of this section shall be sold at public auction conducted by the Commissioner of Administrative Services or [his] the commissioner's designee.

[(g)] (h) The proceeds from any sale of property under subsection [(f)] (g) of this section and any moneys forfeited under this section shall be applied: (1) To payment of the balance due on any lien preserved by the court in the forfeiture proceedings; (2) to payment of any costs incurred for the storage, maintenance, security and forfeiture of such property; and (3) to payment of court costs. The balance, if any, shall be deposited

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in the drug assets forfeiture revolving account established under section 54-36i.

Sec. 4. Section 54-36o of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2026*):

(a) As used in this section, (1) "property" includes, but is not limited to, virtual currency and virtual currency wallets; (2) "virtual currency" has the same meaning as provided in section 36a-596; and (3) "virtual currency wallet" has the same meaning as provided in section 36a-596.

~~[(a)]~~ (b) All property constituting, or derived from, the proceeds obtained, directly or indirectly, by a person as a result of a violation of section 53a-129a of the general statutes, revision of 1958, revised to January 1, 2003, or section 53a-127g, 53a-129b, 53a-129c, 53a-129d, 53a-129e, 53a-130, 21-120 or 21-121 shall be subject to forfeiture to the state pursuant to subsection ~~[(b)]~~ (c) of this section.

~~[(b)]~~ (c) Not later than ninety days after the seizure of property subject to forfeiture pursuant to subsection ~~[(a)]~~ (b) of this section, in connection with a lawful arrest or a lawful search that results in an arrest, the Chief State's Attorney or a deputy chief state's attorney, state's attorney or assistant or deputy assistant state's attorney may petition the court in the nature of a proceeding in rem to order forfeiture of said moneys or property. Such proceeding shall be deemed a civil suit in equity, in which the state shall have the burden of proving all material facts by clear and convincing evidence. The court shall identify the owner of such property and any other person as appears to have an interest therein, and order the state to give notice to such owner and any interested person by certified or registered mail or, if the property seized is virtual currency or a virtual currency wallet and the Chief State's Attorney or a deputy chief state's attorney, state's attorney or assistant or deputy assistant state's attorney demonstrates that notice by other means, including, but not limited to, electronic means, would be

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sufficient and appropriate under the circumstances, by such other means. No testimony offered or evidence produced by such owner or interested person at such hearing and no evidence discovered as a result of or otherwise derived from such testimony or evidence, may be used against such owner or interested person in any proceeding, except that no such owner or interested person shall be immune from prosecution for perjury or contempt committed while giving such testimony or producing such evidence. At such hearing the court shall hear evidence and make findings of fact and enter conclusions of law and shall issue a final order, from which the parties shall have such right of appeal as from a decree in equity.

[(c)] (d) The court shall hold a hearing on the petition filed pursuant to subsection [(a)] (c) of this section not more than two weeks after the criminal proceeding that occurred as a result of the arrest has been nolle, dismissed or otherwise disposed of. The court shall deny the petition and return the property to the owner if the criminal proceeding does not result in (1) a plea of guilty or nolo contendere to any offense charged in the same criminal information, (2) a guilty verdict after trial to a forfeiture-eligible offense for which the property was possessed, controlled, designed or intended for use, or which was or had been used as a means of committing such offense, or which constitutes the proceeds of the commission of such offense, or (3) a dismissal resulting from the completion of a pretrial diversionary program.

[(d)] (e) No property shall be forfeited under this section to the extent of the interest of an owner or lienholder by reason of any act or omission committed by another person if such owner or lienholder did not know and could not have reasonably known that such property was being used or was intended to be used in, or was derived from, criminal activity.

[(e)] (f) Notwithstanding the provisions of subsection [(a)] (b) of this section, no property used or intended to be used by the owner thereof



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to pay legitimate attorney's fees in connection with ~~his~~ such owner's defense in a criminal prosecution shall be subject to forfeiture under this section.

~~[(f)]~~ (g) Any property ordered forfeited pursuant to subsection ~~[(b)]~~ (c) of this section shall be sold at public auction conducted by the Commissioner of Administrative Services.

~~[(g)]~~ (h) The proceeds from any sale of property under subsection ~~[(f)]~~ (g) of this section shall be applied: (1) To payment of the balance due on any lien preserved by the court in the forfeiture proceedings; (2) to payment of any costs incurred for the storage, maintenance, security and forfeiture of such property; and (3) to payment of court costs. The balance, if any, shall be deposited in the privacy protection guaranty and enforcement account established under section 42-472a.

Sec. 5. Section 54-36p of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2026*):

(a) As used in this section, (1) "property" includes, but is not limited to, virtual currency and virtual currency wallets; (2) "virtual currency" has the same meaning as provided in section 36a-596; and (3) "virtual currency wallet" has the same meaning as provided in section 36a-596.

~~[(a)]~~ (b) The following property shall be subject to forfeiture to the state pursuant to subsection ~~[(b)]~~ (c) of this section:

(1) All moneys used, or intended for use, in a violation of subdivision (3) of subsection (a) of section 53-21 or section 53a-86, 53a-87, 53a-88, 53a-90a, 53a-189a, 53a-189b, 53a-192a, 53a-196a, 53a-196b, 53a-196c or 53a-196i;

(2) All property constituting the proceeds obtained, directly or indirectly, from a violation of subdivision (3) of subsection (a) of section 53-21 or section 53a-86, 53a-87, 53a-88, 53a-90a, 53a-189a, 53a-189b, 53a-

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192a, 53a-196a, 53a-196b, 53a-196c or 53a-196i;

(3) All property derived from the proceeds obtained, directly or indirectly, from a violation of subdivision (3) of subsection (a) of section 53-21 or section 53a-86, 53a-87, 53a-88, 53a-90a, 53a-189a, 53a-189b, 53a-192a, 53a-196a, 53a-196b, 53a-196c or 53a-196i; and

(4) All property used or intended for use, in any manner or part, to commit or facilitate the commission of a violation of subdivision (3) of subsection (a) of section 53-21 or section 53a-83, 53a-86, 53a-87, 53a-88, 53a-90a, 53a-189a, 53a-189b, 53a-192a, 53a-196a, 53a-196b, 53a-196c or 53a-196i.

[(b)] (c) Not later than ninety days after the seizure of moneys or property subject to forfeiture pursuant to subsection [(a)] (b) of this section, in connection with a lawful criminal arrest or a lawful search that results in an arrest, the Chief State's Attorney or a deputy chief state's attorney, state's attorney or assistant or deputy assistant state's attorney may petition the court in the nature of a proceeding in rem to order forfeiture of such moneys or property. Such proceeding shall be deemed a civil suit in equity in which the state shall have the burden of proving all material facts by clear and convincing evidence. The court shall identify the owner of such moneys or property and any other person as appears to have an interest therein, and order the state to give notice to such owner and any interested person, including any victim of the crime with respect to which such moneys or property were seized, by certified or registered mail or, if the property seized is virtual currency or a virtual currency wallet and the Chief State's Attorney or a deputy chief state's attorney, state's attorney or assistant or deputy assistant state's attorney demonstrates that notice by other means, including, but not limited to, electronic means, would be sufficient and appropriate under the circumstances, by such other means. No testimony offered or evidence produced by such owner or interested person at such hearing and no evidence discovered as a result of or

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otherwise derived from such testimony or evidence may be used against such owner or interested person in any proceeding, except that no such owner or interested person shall be immune from prosecution for perjury or contempt committed while giving such testimony or producing such evidence. At such hearing, the court shall hear evidence and make findings of fact and enter conclusions of law and shall issue a final order from which the parties shall have such right of appeal as from a decree in equity.

[(c)] (d) The court shall hold a hearing on the petition filed pursuant to subsection [(a)] (b) of this section not more than two weeks after the criminal proceeding that occurred as a result of the arrest has been nolle, dismissed or otherwise disposed of. The court shall deny the petition and return the property to the owner if the criminal proceeding does not result in (1) a plea of guilty or nolo contendere to any offense charged in the same criminal information, (2) a guilty verdict after trial to a forfeiture-eligible offense for which the property was possessed, controlled, designed or intended for use, or which was or had been used as a means of committing such offense, or which constitutes the proceeds of the commission of such offense, or (3) a dismissal resulting from the completion of a pretrial diversionary program.

[(d)] (e) No moneys or property shall be forfeited under this section to the extent of the interest of an owner or lienholder by reason of any act or omission committed by another person if such owner or lienholder did not know and could not have reasonably known that such moneys or property was being used or was intended to be used in, or was derived from, criminal activity.

[(e)] (f) Notwithstanding the provisions of subsection [(a)] (b) of this section, no moneys or property used or intended to be used by the owner thereof to pay legitimate attorney's fees in connection with his or her defense in a criminal prosecution shall be subject to forfeiture under this section.

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~~[(f)]~~ (g) Any property ordered forfeited pursuant to subsection ~~[(b)]~~ (c) of this section shall be sold at public auction conducted by the Commissioner of Administrative Services or the commissioner's designee.

~~[(g)]~~ (h) The proceeds from any sale of property under subsection ~~[(f)]~~ (g) of this section and any moneys forfeited under this section shall be applied: (1) To payment of the balance due on any lien preserved by the court in the forfeiture proceedings; (2) to payment of any costs incurred for the storage, maintenance, security and forfeiture of any such property; and (3) to payment of court costs. The balance, if any, shall be deposited in the Criminal Injuries Compensation Fund established in section 54-215.

Sec. 6. Subsection (a) of section 54-33a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2026*):

(a) As used in sections 54-33a to 54-33g, inclusive, as amended by this act, (1) "property" includes, but is not limited to, documents, books, papers, films, recordings, records, data, ~~[and]~~ any other tangible thing, ~~;~~ and virtual currency and virtual currency wallets; (2) "tracking device" means an electronic or mechanical device that permits the tracking of the movement of a person or object; (3) "virtual currency" has the same meaning as provided in section 36a-596; and (4) "virtual currency wallet" has the same meaning as provided in section 36a-596.

Sec. 7. Section 53a-275 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2026*):

For the purposes of this section and sections 53a-276 to 53a-282, inclusive:

(1) "Monetary instrument" means coin or currency of the United States or of any other country, travelers' checks, personal checks, bank

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checks, money orders, negotiable investment securities or negotiable instruments in bearer form or otherwise in such form that title thereto passes upon delivery.

(2) "Equivalent property" means property that may be readily converted into, or exchanged for, United States or foreign currency or coin, including gold, silver or platinum bullion or coins, diamonds, emeralds, rubies, sapphires or other precious stones, stamps, ~~[or] airline tickets, virtual currency or virtual currency wallets or the contents thereof,~~ or any other property that is intended to be so converted or exchanged.

(3) "Felony" means a felony under the laws of this state or a criminal offense committed in another jurisdiction punishable under the laws of that jurisdiction by death or a term of imprisonment exceeding one year.

(4) "Exchange", in addition to its ordinary meaning, means purchase, sale, loan, pledge, gift, transfer, delivery, deposit, withdrawal or extension of credit.

(5) "Virtual currency" has the same meaning as provided in section 36a-596.

(6) "Virtual currency wallet" has the same meaning as provided in section 36a-596.

Governor's Action:  
Approved June 23, 2025