

[DISCUSSION DRAFT]

119TH CONGRESS
2^D SESSION

H. R. _____

To prevent the premature seizure of an individual’s securities, digital assets, or investment accounts in the custody of a financial institution under State escheatment laws, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. LICCARDO introduced the following bill; which was referred to the Committee on _____

A BILL

To prevent the premature seizure of an individual’s securities, digital assets, or investment accounts in the custody of a financial institution under State escheatment laws, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “**[To be added Act of**
5 **2026]**”.

1 **SEC. 2. ESCHEATMENT OF CERTAIN SECURITIES, DIGITAL**
2 **ASSETS, OR INVESTMENT ACCOUNTS HELD**
3 **BY CUSTODIANS.**

4 (a) IN GENERAL.—With respect to any covered asset
5 that is directly held or beneficially owned by a person or
6 entity and custodied by a financial institution, the finan-
7 cial institution may not yield custody of the covered asset,
8 any proceeds from the sale of the covered asset, or a pay-
9 ment related to the covered asset (such as a dividend,
10 principal payment, fork, or airdrop) pursuant to a State
11 unclaimed property law, regulation, or administrative ac-
12 tion or other means of escheatment, unless—

13 (1) in the case of a covered asset directly held
14 or beneficially owned by a natural person—

15 (A) the financial institution receives con-
16 firmation of the natural person’s death at least
17 3 years before yielding custody;

18 (B) no fiduciary appointed to represent the
19 estate of the natural person has made an ex-
20 pression of interest in such asset, proceeds, or
21 payment; and

22 (C) in the case of an asset, proceeds, or a
23 payment where another natural person has an
24 ownership interest, the financial institution re-
25 ceives confirmation of the other natural
26 persons’s death; or

1 (2) in the case of a covered asset directly held
2 or beneficially owned by a person or entity other
3 than a natural person, the financial institution has
4 no record of contact with a representative of the per-
5 son or entity for at least 5 years.

6 (b) CHECKING OF CERTAIN INACTIVE ACCOUNTS.—

7 (1) IN GENERAL.—In the case of a covered
8 asset described in subsection (a) that is directly held
9 or beneficially owned by a natural person who has
10 attained retirement age and custodied by a financial
11 institution, at the end of the 5-year period beginning
12 on the date that the financial institution last has a
13 record of contact with the natural person (or a rep-
14 resentative thereof), and every five years thereafter,
15 the financial institution shall conduct a comparison
16 of its records with a State or Federal government
17 database of deaths to identify whether the natural
18 person is deceased.

19 (2) RETIREMENT AGE DEFINED.—In this sub-
20 section and with respect to a natural person, the
21 term “retirement age” means the applicable age, as
22 defined in section 401(a)(9)(C)(v) of the Internal
23 Revenue Code of 1986.

1 (c) DEATH DETERMINATION.—For purposes of this
2 section, a financial institution may confirm the death of
3 a natural person if—

4 (1) the financial institution obtains a death cer-
5 tificate for the natural person; or

6 (2) the financial institution obtains such other
7 legal documents as the institution determines suffi-
8 cient to confirm the death of the natural person.

9 (d) PREEMPTION.—This section preempts any State
10 law, regulation, ordinance, or other provision that requires
11 a financial institution to remit, escheat, yield custody, or
12 otherwise transfer any asset, security, or investment ac-
13 count to a State or local government in any manner that
14 conflicts with this section.

15 (e) SENSE OF CONGRESS.—It is the sense of Con-
16 gress that—

17 (1) this section does not preempt any State law,
18 regulation, ordinance, or other provision requiring
19 communication between the State and a financial in-
20 stitution or a person or entity that directly holds or
21 beneficially owns a covered asset; and

22 (2) this section does not prevent an owner of a
23 covered asset from seeking remedies through State
24 or Federal law for mishandling or improper
25 escheatment of a covered asset.

1 (f) DEFINITIONS.—In this section:

2 (1) COVERED ASSET.—The term “covered
3 asset” means any—

4 (A) security;

5 (B) digital asset; or

6 (C) investment account.

7 (2) DIGITAL ASSET.—The term “digital asset”
8 means any digital representation of value which is
9 recorded on a cryptographically-secured distributed
10 ledger or other similar technology.

11 (3) FINANCIAL INSTITUTION.—The term “fi-
12 nancial institution”—

13 (A) has the meaning given that term under
14 section 5312 of title 31, United States Code;
15 and

16 (B) includes any—

17 (i) national bank;

18 (ii) transfer agent; or

19 (iii) centralized digital asset exchange.

20 (4) INVESTMENT ACCOUNT.—The term “invest-
21 ment account” means an account, including a retire-
22 ment account, that can be used to hold, manage,
23 buy, sell, or trade a digital asset or security.

1 (5) SECURITY.—The term “security” has the
2 meaning given that term under section 3 of the Se-
3 curities Exchange Act of 1934 (15 U.S.C. 78c).

4 (6) STATE.—The term “State” means each of
5 the several States, the District of Columbia, and
6 each territory or possession of the United States.

7 (g) RULE OF APPLICATION.—This section shall apply
8 to a covered asset, proceeds from the sale of a covered
9 asset, and a payment related to a covered asset—

10 (1) that is held or beneficially owned by a per-
11 son or entity on or after the date of enactment of
12 this Act; and

13 (2) the custody of which has not been yielded
14 pursuant to a State unclaimed property law, regula-
15 tion, or administrative action or other means of
16 escheatment as of the date of enactment of this Act.