

Unclaimed Property:

South Dakota: New Law Addresses Required Liquidation of Abandoned Virtual Currency

H.B. 1196, signed by gov. 3/12/25. Recently signed legislation enacts various changes to South Dakota unclaimed property law, including explicitly subjecting defined “virtual currency” to its provisions and establishing circumstances under which virtual currency is presumed abandoned. Under the new law, virtual currency generally is deemed abandoned three years after the latest indication of interest, and a holder of unclaimed virtual currency must liquidate the virtual currency within 30 days prior to filing its required report and remit the underlying proceeds to the administrator. Moreover, “if the holder is unable to liquidate the virtual currency, or reasonably believes the virtual currency cannot be liquidated, the holder must promptly provide written notice to the administrator explaining why the virtual currency cannot be liquidated,” and the administrator must “direct the holder concerning an alternate disposition of the virtual currency” in such cases. The legislation defines “virtual currency” as a “digital representation of value used as a medium of exchange, unit of account, or store of value, which does not have legal tender status recognized by the United States,” and provides that it does *not* include:

URL: <https://sdlegislature.gov/Session/Bill/26050>

1. The software or protocols governing the transfer of the digital representation of value;
2. Game-related digital content; or
3. A loyalty or gift card.

Please contact us with any questions.

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