

**SPIROS MANTZAVINOS**  
STATE SENATOR  
7<sup>th</sup> District



**SENATE**  
STATE OF DELAWARE  
411 LEGISLATIVE AVENUE  
DOVER, DELAWARE 19901

**COMMITTEES**  
Banking, Business & Insurance - Chair  
Capital Improvement  
Labor  
Transportation  
Veterans Affairs

## **Senate Banking, Business, & Insurance Committee Meeting** **Minutes**

**Date: Wednesday, May 12, 2021**

**Time: 10:00 AM in Virtual Format**

### **Committee Members Present:**

Senator Spiros Mantzavinos	<a href="mailto:Spiros.Mantzavinos@delaware.gov">Spiros.Mantzavinos@delaware.gov</a>
Senator Trey Paradee	<a href="mailto:Trey.Paradee@delaware.gov">Trey.Paradee@delaware.gov</a>
Senator Jack Walsh	<a href="mailto:John.Walsh@delaware.gov">John.Walsh@delaware.gov</a>
Senator Laura Sturgeon	<a href="mailto:Laura.Sturgeon@delaware.gov">Laura.Sturgeon@delaware.gov</a>
Senator Colin Bonini	<a href="mailto:Colin.Bonini@delaware.gov">Colin.Bonini@delaware.gov</a>

### **Staff Present:**

Nicole Alvarez	<a href="mailto:Nicole.Alvarez@delaware.gov">Nicole.Alvarez@delaware.gov</a>
Taylor Hawk	<a href="mailto:Taylor.Hawk@delaware.gov">Taylor.Hawk@delaware.gov</a>
Michael Soyka	<a href="mailto:Michael.Soyka@delaware.gov">Michael.Soyka@delaware.gov</a>

### **Attendees:**

Secretary Rick Geisenberger, Department of Finance	Matt Revel, Senate Minority Caucus
Chris Haas, Delaware Department of Insurance	Senator Bryan Townsend, Senate Majority Leader
Deborah Gottschalk, Division of Research	Brenda Mayrack, Department of Finance
Christine Schilitz, Parkowski, Guerke & Swayze	Lauren Vella, Department of Justice
Brian Eishnow, State of Delaware	Laird Stabler III, Self
Rick Deadwyler, Corteva Agriscience	Bonnie Metz, Verizon
Vince Ryan, ACLI	Ken Wagers, Kelmar Associates, LLC
Tyler Berl, HIV Consortium	Mary Davis, Ned Davis Associates
Emy Diaz, Senate Majority Caucus	Robert Scoglietti, CGO
Corinne Armann, Rebecca Batson Kidner, PA	Scott Kidner, ACLI
Courtney Stewart, OMB	Rebecca Calvello, Senate Minority Caucus
Rosa McLaughlin, State of Delaware	Kyle Pritchard, State of Delaware
Amanda McAtee, Division of Research	Patrick Reynolds, Council on State Taxation
Sara Poore, Senate Minority Caucus	Monica Beard, Delaware United
Javier Hostmann, Office of Governor John Carney	Venessa Karpeh, Senate Majority Caucus
Mary Kate McLaughlin, Faegre Drinker	Carrie Cole, ByrdGomes
Constance Johnson, Brandywine Counseling & Community Services	

411 Legislative Avenue, Dover, Delaware 19901

Senate Office: (302) 744-4133 Fax: (302) 739-6890 Email: [Spiros.Mantzavinos@delaware.gov](mailto:Spiros.Mantzavinos@delaware.gov)

Senator Mantzavinos convened the meeting at 10:04 AM and roll call was taken.

- I. The meeting minutes from 4/28/21 were approved.
- II. **HB 111 (Lynn)**- AN ACT TO AMEND TITLE 18 OF THE DELAWARE CODE RELATING TO INSURANCE DISCRIMINATION BASED ON PRE-EXPOSURE PROPHYLAXIS MEDICATION TO PREVENT HIV INFECTION.

Sen Mantzavinos read in the long title to HB 111 and deferred to Senator Townsend.

Sen Townsend explained that HB 111 prohibits the discrimination from insurance based on if someone is taking pre exposure prophylaxis medication. It is the best method of preventing HIV transmission.

Sen. Mantzavinos moved to questions from committee members.

Sen. Walsh asked if this is something that is not currently covered?

Sen. Townsend clarified that it is not currently prohibited to discriminate on the basis if someone takes this medication.

Sen. Sturgeon thanked Sen. Townsend and the House Sponsor, Rep. Lynn, for sponsoring this bill. She said how she remembers when AIDS came on the scene in the 80's and wanted to point out how far science has come that AIDS is no longer a death sentence.

Sen. Mantzavinos moved to public comment.

Chris Haas from DOI stated the Department is in support of the bill and encourages it to be released from committee.

Tyler Berl from the HIV Consortium thanked the sponsors and members of the committee for considering this bill. He said Delaware is averaging about 100 new cases of HIV per year and with access to PREP and other preventative measures, this number can easily go down. He deferred any other comments to his written testimony, which will be in the public record.

Sen. Townsend stated he was happy to see that HB 111 received a unanimous vote in the House.

HB 111 was released from committee with 5 on its merits.

- III. **SB 103 (Townsend)**- AN ACT TO AMEND TITLE 12 OF THE DELAWARE CODE RELATING TO UNCLAIMED PROPERTY.

Sen. Mantzavinos deferred to Sen. Townsend for SB 103.

Sen. Townsend explained that SB 103 updates Delaware's unclaimed property laws regarding virtual currency. When reported and remitted to unclaimed property, virtual currency will not be remitted as such. It would be converted to US dollars and then remitted.

Sen. Townsend deferred to State Escheator Brenda Mayrack.

Escheator Mayrack stated this legislation is a bill from the Department of Finance. She reiterated what SB 103 does, as Sen. Townsend previously stated.

Sen. Mantzavinos asked Secretary Rick Geisenberger if he had anything additional to add about the bill.

Sec. Geisenberger thanked the sponsor and the committee chair for bringing this bill forward. The DOF is getting asked by owners of unclaimed property what to do regarding virtual currency. He believes it is timely to bring this bill forward now.

Sen. Mantzavinos asked how much we are potentially looking at regarding virtual currency.

Sec. Geisenberger said they don't actually know the number. Virtual currency has evolved over the years. It could be trillions of dollars of property, but it's likely a small fraction is what is unclaimed.

Escheator Mayrack said this bill provides incentive for holders of unclaimed property to keep in contact with their customers and the owners of the properties. This could result in less being reported to Delaware. This bill is focused on creating a reporting requirement where there's a holder of unclaimed property or its being held on someone else's behalf, where the virtual currency has value and can be liquidated into US currency.

Sen. Bonini asked if requiring moving to US dollars before its remitted is the idea of the bill.

Escheator Mayrack said yes, this would create the requirement of converting the currency into US dollars before it is remitted to the state.

Sen. Bonini asked when it would have to be liquidated.

Escheator Mayrack answered that it would have to be liquidated within 90 days, prior to reporting.

Sen. Bonini asked who decides whether gaming related virtual currency has cash value.

Escheator Mayrack said this is about encouraging holder compliance and the holders would know the nature of their business and their property. They expect holders would comply with the law and if the state disagrees with the holders finding, it would be sorted out in the examination process later.

Sec. Geisenberger added that the amount someone accumulates can be exchanged for additional gaming, and the department is not looking for that.

Seeing no additional questions from committee members, Sen. Mantzavinos moved to public comment.

Kyle Prichard commented that the value of bitcoin has increased over the years. He also said larger companies, such as Tesla, said they are accepting bitcoin as forms as payment.

Sen. Mantzavinos asked if this bill has the same effect for individuals if it is unclaimed property after five years.

Escheator Mayrack confirmed that this bill would apply the five-year dormancy. It is based on the property type, so any kind of holder would be subject to the reporting requirements.

SB 103 was released from committee with 5 on its merits.

**IV. SB 104 (Townsend)- AN ACT TO AMEND TITLE 12 OF THE DELAWARE CODE RELATING TO UNCLAIMED PROPERTY.**

Sen. Mantzavinos deferred to Sen. Townsend for consideration of SB 104.

Sen. Townsend explained that SB 104 is an omnibus bill that updates Delaware's unclaimed property laws.

Sen. Townsend deferred to State Escheator Mayrack to describe the bill.

Escheator Mayrack explained this is a housekeeping Department of Finance bill that addresses many technical and larger changes to the state's unclaimed property statute. It relates to reporting of unclaimed property, determining compliance with unclaimed property, and establishes a permanent expedited exam program where holders that complete the program would only be subject to a 1% interest provision.

Sec. Geisenberger added that they are trying to bring more predictability, efficiency, and fairness, and part of that is coming back every few years and looking at issues of administration, judicial decisions, and practice areas that are observed.

Seeing no questions from committee members, Sen. Mantzavinos moved to public comment.

Kyle Prichard stated that through his reading of the bill, he realized it is more detailed. He said it is always good to review and provide improvements for the good of the public and the good of the office itself.

Scott Kidner stated that ACLI will not be taking any position on the bill but wanted to thank Escheator Mayrack for her time spent on discussions on the bill.

Patrick Reynolds, from the Council on State Taxation, stated the mission of the council is to preserve and to promote the equitable and non-discriminatory taxation in businesses. In the unclaimed property context, that equally applies. The council supports the purpose of unclaimed property to reunite property with its owners, and they want to make sure that is done in a fair and equitable manner. Mr. Reynolds let the committee know that he already sent in written testimony on SB 104. He wanted to point out that we are only five years away from the Temple Inland decision where the decision found the actions of Delaware to be so egregious that they shocked the conscience. Delaware took some steps to move away from the actions, including to have a statute of limitations of ten years as opposed to going back to 1981 to audit taxpayers. The council thinks that before any omnibus bill takes place, they encourage the committee to study the Temple

Inland litigation, as well as the current litigation that is taking place and to make sure we are moving away from that decision and conduct.

Sen. Townsend wanted those following along to note that it was understood that reform needed to take place, and it did, so much of what Mr. Reynolds spoke about related to frameworks that have been put in the past.

SB 104 was released from committee with 5 on its merits.

Sen. Mantzavinos adjourned the meeting at 10:56 AM