

MAINE STATE LEGISLATURE

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127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 929

S.P. 320

In Senate, March 17, 2015

An Act Relative to the Escheat of United States Savings Bonds

Reference to the Committee on Judiciary suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Secretary of the Senate

Presented by Senator KATZ of Kennebec.
Cosponsored by Representative MAREAN of Hollis and
Senators: LANGLEY of Hancock, LIBBY of Androscoggin, SAVIELLO of Franklin,
Representative: MOONEN of Portland.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 33 MRSA §1952, sub-§15-B** is enacted to read:

3 **15-B. United States savings bond.** "United States savings bond" means property,
4 tangible or intangible, in the form of a savings bond issued by the United States Treasury
5 whether in paper form, electronic form or paperless form, along with all the proceeds of
6 the savings bond.

7 **Sec. 2. 33 MRSA §1953, sub-§1, ¶P**, as amended by PL 2001, c. 439, Pt. L, §3,
8 is further amended to read:

9 P. Notwithstanding paragraph E, property contained in a prearranged funeral or
10 burial plan described in Title 32, section 1401, including deposits containing funds
11 from such a plan, 3 years after the death of the person on whose behalf funds were
12 paid into the plan; ~~and~~

13 **Sec. 3. 33 MRSA §1953, sub-§1, ¶Q**, as enacted by PL 2001, c. 439, Pt. L, §4, is
14 amended to read:

15 Q. Property distributable in the course of a demutualization or related reorganization
16 of an insurance company, 2 years after the earlier of:

17 (1) The date of the distribution of the property; or

18 (2) The date of last contact with a policyholder; and

19 **Sec. 4. 33 MRSA §1953, sub-§1, ¶R** is enacted to read:

20 R. A United States savings bond, as described in section 1954-B, 3 years after its
21 date of final maturity.

22 **Sec. 5. 33 MRSA §1954-B** is enacted to read:

23 **§1954-B. United States savings bonds**

24 **1. Presumed abandoned in this State.** Notwithstanding section 1953, subsection 1,
25 paragraph K and sections 1963, 1970 and 1976, a United States savings bond subject to
26 this chapter or held or owing in this State by any person is presumed abandoned in this
27 State if:

28 A. The last known address of the owner of the United States savings bond is in this
29 State; and

30 B. The United States savings bond has remained unclaimed for 3 years after its date
31 of final maturity.

32 **2. Escheat; procedure.** United States savings bonds that are presumed abandoned
33 and unclaimed under subsection 1, including bonds in the possession of the administrator,
34 and those lost, stolen or destroyed bonds registered to persons with last known addresses
35 in this State, escheat to the State 3 years after the bonds are presumed abandoned, and all
36 property rights and legal title to and ownership of the United States savings bonds,

1 including all rights, powers and privileges of survivorship of any owner, co-owner or
2 beneficiary, vest solely in the State according to the following procedure.

3 A. Within 180 days after the 3-year period in this subsection has passed, if no claim
4 has been filed in accordance with this chapter for the United States savings bonds, the
5 administrator shall commence a civil action in the Kennebec County Superior Court
6 or in any other court of competent jurisdiction for a determination that the United
7 States savings bonds escheat to the State. The administrator may postpone the
8 bringing of such an action until sufficient United States savings bonds have
9 accumulated in the administrator's custody to justify the expense of such a
10 proceeding.

11 B. The administrator shall make service by publication of the civil action in
12 accordance with Maine Rules of Civil Procedure, Rule 4 and Title 1, sections 601 and
13 603.

14 C. If no person files a claim or appears at the hearing to substantiate a claim or if the
15 court determines that a claimant is not entitled to the property claimed by the
16 claimant, the court, if satisfied by evidence that the administrator has substantially
17 complied with the laws of this State, shall enter a judgment that the United States
18 savings bonds have escheated to the State and all property rights and legal title to and
19 ownership of the United States savings bonds, including all rights, powers and
20 privileges of survivorship of any owner, co-owner or beneficiary, vest solely in the
21 State.

22 D. The administrator shall redeem the United States savings bonds escheated to the
23 State. When the escheated proceeds have been recovered by the administrator, the
24 administrator shall first pay all costs incident to the collection and recovery of the
25 proceeds from the redemption of the United States savings bonds and then promptly
26 deposit the remaining balance of the proceeds in the Unclaimed Property Fund under
27 section 1964 to be distributed in accordance with law.

28 **3. Claims after escheat.** Notwithstanding sections 1966 and 1967, any person
29 making a claim for a United States savings bond escheated to the State under this section
30 may file a claim with the administrator. Upon being provided sufficient proof of the
31 validity of the person's claim, the administrator may pay the claim less any expenses and
32 costs incurred by the State in securing full title and ownership of the property by escheat.
33 If payment has been made to a claimant, no action may be maintained by any other
34 claimant or the State or any state officer for or on account of the funds.

35 SUMMARY

36 This bill amends the Uniform Unclaimed Property Act to establish a special
37 procedure for the escheat of unclaimed United States savings bonds to the State.

38 An unclaimed United States savings bond is presumed abandoned 3 years after its
39 date of final maturity. A United States savings bond is presumed abandoned in this State
40 if the last known address of the owner of the United States savings bond is in this State
41 and the United States savings bond has remained unclaimed for 3 years after its date of
42 final maturity.

1 Not sooner than 3 years after the final maturity date, the Treasurer of State must bring
2 an action in Kennebec County Superior Court or another court of competent jurisdiction
3 for a determination that the United States savings bonds escheat to the State. The
4 treasurer must redeem the savings bonds and, after subtracting the costs of the process,
5 deposit the balance in the Unclaimed Property Fund.

6 A person claiming a right to a United States savings bond escheated to the State and
7 redeemed by the treasurer must make a claim to the treasurer. The treasurer has
8 discretion as to whether to pay the claim, less the costs of the process.