

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1298

H.P. 969 House of Representatives, April 21, 1987
Reference to the Committee on Business Legislation
suggested and ordered printed.

EDWIN H. PERT, Clerk
Presented by Representative MARSANO of Belfast.
Cosponsored by Representatives COTE of Auburn and
MacBRIDE of Presque Isle.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-SEVEN

AN ACT Relating to the Uniform Unclaimed
Property Act.

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

Sec. 1. 33 MRSA c. 27, as amended, is repealed.

Sec. 2. 33 MRSA c. 33 is enacted to read:

CHAPTER 33

UNIFORM UNCLAIMED PROPERTY ACT

§1701. Short title

This chapter shall be known and may be cited as
the "Uniform Unclaimed Property Act."

1 §1702. Definitions

2 As used in this Act, unless the context otherwise
3 indicates, the following terms have the following
4 meanings.

5 1. Administrator. "Administrator" means the
6 Treasurer of State.

7 2. Apparent owner. "Apparent owner" means the
8 person whose name appears on the records of the hold-
9 er as the person entitled to property held, issued or
10 owed by the holder.

11 3. Attorney General. "Attorney General" means
12 the chief legal officer of this State.

13 4. Banking organization. "Banking organization"
14 means a bank, trust company, savings bank, industrial
15 bank, land bank, safe deposit company, private banker
16 or any organization defined by other law as a bank or
17 banking organization.

18 5. Business association. "Business association"
19 means a nonpublic corporation, joint stock company,
20 investment company, business trust, partnership or
21 association of 2 or more individuals for business
22 purposes, whether or not for profit, including a
23 banking organization, financial organization, insur-
24 ance company or utility.

25 6. Domicile. "Domicile" means the state of in-
26 corporation of a corporation and the state of the
27 principal place of business of an unincorporated per-
28 son.

29 7. Financial organization. "Financial organiza-
30 tion" means a savings and loan association, coopera-
31 tive bank, building and loan association or credit
32 union.

33 8. Holder. "Holder" means a person, wherever
34 organized or domiciled, who is:

35 A. In possession of property belonging to anoth-
36 er;

1 B. A trustee; or

2 C. Indebted to another on an obligation.

3 9. Insurance company. "Insurance company" means
4 an association, corporation, fraternal or mutual ben-
5 efit organization, whether or not for profit, which
6 is engaged in providing insurance coverage, including
7 accident, burial, casualty, credit life, contract
8 performance, dental, fidelity, fire, health, hospi-
9 talization, illness, life, including endowments and
10 annuities, malpractice, marine, mortgage, surety and
11 wage protection insurance.

12 10. Intangible property. "Intangible property"
13 includes:

14 A. Money, checks, drafts, deposits, interest,
15 dividends and income;

16 B. Credit balances, customer overpayments, gift
17 certificates, security deposits, refunds, credit
18 memos, unpaid wages, unused airline tickets and
19 unidentified remittances;

20 C. Stocks and other intangible ownership inter-
21 ests in business associations;

22 D. Money deposited to redeem stocks, bonds, cou-
23 pons and other securities or to make distribu-
24 tions;

25 E. Amounts due and payable under the terms of
26 insurance policies; and

27 F. Amounts distributable from a trust or custo-
28 dial fund established under a plan to provide
29 health, welfare, pension, vacation, severance,
30 retirement, death, stock purchase, profit shar-
31 ing, employee savings, supplemental unemployment
32 insurance or similar benefits.

33 11. Last-known address. "Last-known address"
34 means a description of the location of the apparent
35 owner sufficient for the purpose of the delivery of
36 mail.

1 12. Owner. "Owner" means a depositor in the
2 case of a deposit; a beneficiary in the case of a
3 trust other than a deposit in trust; a creditor,
4 claimant or payee in the case of other intangible
5 property; or a person having a legal or equitable in-
6 terest in property subject to this Act or his legal
7 representative.

8 13. Person. "Person" means an individual, busi-
9 ness association, state or other government, govern-
10 mental subdivision or agency, public corporation,
11 public authority, estate, trust, 2 or more people
12 having a joint or common interest or any other legal
13 or commercial entity.

14 14. State. "State" means any state, district,
15 commonwealth, territory, insular possession or any
16 other area subject to the legislative authority of
17 the United States.

18 15. Utility. "Utility" means a person who owns
19 or operates for public use any plant, equipment,
20 property, franchise or license for the transmission
21 of communications or the production, storage, trans-
22 mission, sale, delivery or furnishing of electricity,
23 water, steam or gas.

24 §1703. Property presumed abandoned; general rule

25 1. Abandoned. Except as otherwise provided by
26 this Act, all intangible property, including any in-
27 come or increment derived from the intangible prop-
28 erty, less any lawful charges, that is held, issued or
29 owed in the ordinary course of a holder's business
30 and has remained unclaimed by the owner for more than
31 5 years after it became payable or distributable is
32 presumed abandoned.

33 2. Property payable. Property is payable or
34 distributable for the purpose of this Act, notwith-
35 standing the owner's failure to make demand or to
36 present any instrument or document required to re-
37 ceive payment.

38 §1704. General rules for taking custody of intangi-
39 ble unclaimed property

1 Unless otherwise provided in this Act or by any
2 other law of this State, intangible property is sub-
3 ject to the custody of this State as unclaimed prop-
4 erty if the conditions raising a presumption of aban-
5 donment under sections 1703, 1706 to 1717 are satis-
6 fied and:

7 1. Last-known address. The last-known address
8 of the apparent owner, as shown on the records of the
9 holder is in this State;

10 2. Identity of person. The records of the hold-
11 er do not reflect the identity of the person entitled
12 to the property and it is established that the last-
13 known address of the person entitled to the property
14 is in this State;

15 3. Records established. The records of the
16 holder do not reflect the last-known address of the
17 apparent owner and it is established that:

18 A. The last-known address of the person entitled
19 to the property is in this State; or

20 B. The holder is a domiciliary, government or
21 governmental subdivision or agency of this State
22 and has not previously paid or delivered the
23 property to the state of the last-known address
24 of the apparent owner or other person entitled to
25 the property;

26 4. Escheat or custodial taking. The last-known
27 address of the apparent owner, as shown on the
28 records of the holder, is in a state that does not
29 provide by law for the escheat or custodial taking of
30 the property or that state's escheat or unclaimed
31 property law is not applicable to the property and
32 the holder is a domiciliary, government or governmen-
33 tal subdivision or agency of this State;

34 5. Last-known address, foreign nation. The
35 last-known address of the apparent owner, as shown on
36 the records of the holder, is in a foreign nation and
37 the holder is a domiciliary, government or governmen-
38 tal subdivision or agency of this State; or

39 6. Transaction. The transaction out of which
40 the property arose occurred in this State and:

1 A. The last-known address of the apparent owner
2 or other person entitled to the property is un-
3 known; or

4 (1) The last-known address of the apparent
5 owner or other person entitled to the prop-
6 erty is in a state that does not provide by
7 law for the escheat or custodial taking of
8 the property or its escheat or unclaimed
9 property law is not applicable to the prop-
10 erty; and

11 B. The holder is a domiciliary of a state that
12 does not provide by law for the escheat or custo-
13 dial taking of the property or that state's es-
14 cheat or unclaimed property law is not applicable
15 to the property.

16 §1705. Traveler's checks and money orders

17 1. Traveler's check. Subject to subsection 4,
18 any sum payable on a traveler's check that has been
19 outstanding for more than 15 years after its issuance
20 is presumed abandoned unless the owner, within 15
21 years, has communicated in writing with the issuer
22 concerning that check or otherwise indicated an in-
23 terest as evidenced by a memorandum or other record
24 on file prepared by an employee of the issuer.

25 2. Money order. Subject to subsection 4, any
26 sum payable on a money order or similar written in-
27 strument, other than a 3rd-party bank check, that has
28 been outstanding for more than 7 years after its is-
29 suance is presumed abandoned unless the owner, within
30 7 years, has communicated in writing with the issuer
31 concerning that money order or otherwise indicated an
32 interest as evidenced by a memorandum or other record
33 on file prepared by an employee of the issuer.

34 3. Charge not imposed. A holder may not deduct
35 from the amount of a traveler's check or money order
36 any charge not imposed by reason of the failure to
37 present the instrument for payment, unless there is a
38 valid and enforceable written contract between the
39 issuer and the owner of the instrument pursuant to
40 which the issuer may impose a charge and the issuer
41 regularly imposes such charges and does not regularly
42 reverse or otherwise cancel such charges.

1 4. Requirements. No sum payable on a traveler's
2 check, money order or similar written instrument,
3 other than a 3rd-party bank check described in sub-
4 sections 1 and 2, may be subjected to the custody of
5 this State as unclaimed property, unless:

6 A. The records of the issuer show that the
7 traveler's check, money order or similar written
8 instrument was purchased in this State;

9 B. The issuer has its principal place of busi-
10 ness in this State and the records of the issuer
11 do not show the state in which the traveler's
12 check, money order or similar written instrument
13 was purchased; or

14 C. The issuer has its principal place of busi-
15 ness in this State, the records of the issuer
16 show the state in which the traveler's check,
17 money order or similar written instrument was
18 purchased and the laws of the state of purchase
19 do not provide for the escheat or custodial tak-
20 ing of the property or that state's escheat or
21 unclaimed property law is not applicable to the
22 property.

23 5. Applications. Notwithstanding any other pro-
24 vision of this Act, subsection 4 applies to sums pay-
25 able on traveler's checks, money orders and similar
26 written instruments presumed abandoned on or after
27 February 1, 1965, except to the extent that those
28 sums have been paid to a state prior to January 1,
29 1974.

30 §1706. Checks, drafts and similar instruments issued
31 or certified by banking and financial organi-
32 zations

33 1. Presumed abandoned. Any sum payable on a
34 check, draft or similar instrument, except those sub-
35 ject to section 1705, on which a banking or financial
36 organization is directly liable, including a
37 cashier's check and a certified check, which has been
38 outstanding for more than 5 years after it was pay-
39 able or after its issuance if payable on demand, is
40 presumed abandoned, unless the owner, within 5 years,
41 has communicated in writing with the banking or fi-

1. nancial organization concerning it or otherwise indi-
2 cated an interest as evidenced by a memorandum or
3 other record on file prepared by an employee.

4 2. Charges. A holder may not deduct from the
5 amount of any instrument subject to this section any
6 charge imposed by reason of the failure to present
7 the instrument for payment, unless there is a valid
8 and enforceable written contract between the holder
9 and the owner of the instrument pursuant to which the
10 holder may impose a charge and the holder regularly
11 imposes such charges and does not regularly reverse
12 or otherwise cancel the charges.

13 §1707. Bank deposits and funds in financial organi-
14 zations

15 1. Presumed abandoned. Any demand, savings or
16 matured time deposit with a banking or financial or-
17 ganization, including a deposit that is automatically
18 renewable and any funds paid toward the purchase of a
19 share, a mutual investment certificate or any other
20 interest in a banking or financial organization is
21 presumed abandoned, unless the owner, within 5 years
22 has:

23 A. In the case of a deposit, increased or de-
24 creased its amount or presented the pass book or
25 other similar evidence of the deposit for the
26 crediting of interest;

27 B. Communicated in writing with the banking or
28 financial organization concerning the property;

29 C. Otherwise indicated an interest in the prop-
30 erty as evidenced by a memorandum or other record
31 on file prepared by an employee of the banking or
32 financial organization;

33 D. Owned other property to which paragraph A, B
34 or C applies and if the banking or financial or-
35 ganization communicates in writing with the own-
36 er, with regard to the property that would other-
37 wise be presumed abandoned under this subsection,
38 at the address to which communications regarding
39 the other property regularly are sent; or

1 E. Had another relationship with the banking or
2 financial organization concerning which the owner
3 has:

4 (1) Communicated in writing with the bank-
5 ing or financial organization; or

6 (2) Otherwise indicated an interest as evi-
7 denced by a memorandum or other record on
8 file prepared by an employee of the banking
9 or financial organization and if the banking
10 or financial organization communicates in
11 writing with the owner, with regard to the
12 property that would otherwise be abandoned
13 under this subsection, at the address to
14 which communications regarding the other re-
15 lationship regularly are sent.

16 2. Interest and dividends. For purposes of sub-
17 section 1, property includes interest and dividends.

18 3. Charge or cease payment of interest. A hold-
19 er may not impose with respect to property described
20 in subsection 1 any charge due to dormancy or
21 inactivity or cease payment of interest, unless:

22 A. There is an enforceable written contract be-
23 tween the holder and the owner of the property
24 pursuant to which the holder may impose a charge
25 or cease payment of interest;

26 B. For property in excess of \$2, the holder, no
27 more than 3 months before the initial imposition
28 of those charges or cessation of interest, has
29 given written notice to the owner of the amount
30 of those charges at the last-known address of the
31 owner stating that those charges will be imposed
32 or that interest will cease, but the notice pro-
33 vided in this section need not be given with re-
34 spect to charges imposed or interest ceased be-
35 fore the effective date of this Act; and

36 C. The holder regularly imposes such charges or
37 ceases payment of interest and does not regularly
38 reverse or otherwise cancel them or retroactively
39 credit interest with respect to the property.

1 4. Property automatically renewable. Any prop-
2 erty described in subsection 1 that is automatically
3 renewable is matured for purposes of subsection 1
4 upon the expiration of its initial time period. In
5 the case of any renewal to which the owner consents,
6 at or about the time of renewal, by communicating in
7 writing with the banking or financial organization or
8 otherwise indicating consent as evidenced by a memo-
9 randum or other record on file prepared by an employ-
10 ee of the organization, the property is matured upon
11 the expiration of the last time period for which con-
12 sent was given. If, at the time provided for deliv-
13 ery in section 1720, a penalty or forfeiture in the
14 payment of interest will result from the delivery of
15 the property, the time for delivery is extended until
16 the time when no penalty or forfeiture will result.

17 §1708. Funds owed under life insurance policies

18 1. Presumed abandoned. Funds held or owed under
19 any life or endowment insurance policy or annuity
20 contract that has matured or terminated are presumed
21 abandoned if unclaimed for more than 5 years after
22 the funds became due and payable as established from
23 the records of the insurance company holding or owing
24 the funds, but property described in subsection 3 is
25 presumed abandoned if unclaimed for more than 2
26 years.

27 2. Last-known address. If a person other than
28 the insured or annuitant is entitled to the funds and
29 an address of the person is not known to the company
30 or it is not certain from the records of the company
31 who is entitled to the funds, it is presumed that the
32 last-known address of the person entitled to the
33 funds is the same as the last-known address of the
34 insured or annuitant according to the records of the
35 company.

36 3. Policy or contract not matured. For purposes
37 of this Act, a life or endowment insurance policy or
38 annuity contract not matured by actual proof of the
39 death of the insured or annuitant according to the
40 records of the company is matured and the proceeds
41 due and payable if:

42 A. The company knows that the insured or annui-
43 tant has died; or

1 B. The insured has attained, or would have at-
2 tained if he were living, the limiting age under
3 the mortality table on which the reserve is
4 based.

5 (1) The policy was in force at the time the
6 insured attained, or would have attained,
7 the limiting age specified in this para-
8 graph.

9 (2) Neither the insured nor any other per-
10 son appearing to have an interest in the
11 policy within the preceding 2 years, accord-
12 ing to the records of the company, has as-
13 signed, readjusted or paid premiums on the
14 policy, subjected the policy to a loan, cor-
15 responded in writing with the company con-
16 cerning the policy, otherwise indicated an
17 interest as evidenced by a memorandum or
18 other record on file prepared by an employee
19 of the company.

20 4. Automatic premium loan provision. For pur-
21 pose of this Act, the application of an automatic
22 premium loan provision or other nonforfeiture provi-
23 sion contained in an insurance policy does not pre-
24 vent a policy from being matured or terminated under
25 subsection 1, if the insured has died or the insured
26 or the beneficiary of the policy otherwise has become
27 entitled to the proceeds of the policy before the de-
28 pletion of the cash surrender value of a policy by
29 the application of those provisions.

30 5. Notice. If the laws of this State or the
31 terms of the life insurance policy require the compa-
32 ny to give notice to the insured or owner that an au-
33 tomatic premium loan provision or other nonforfeiture
34 provision has been exercised and the notice, given to
35 an insured or owner whose last-known address accord-
36 ing to the records of the company is in this State,
37 is undeliverable, the company shall make a reasonable
38 search to ascertain the policyholder's correct ad-
39 dress to which the notice must be mailed.

40 6. Death of insured. Notwithstanding any other
41 provision of law, if the company learns of the death
42 of the insured or annuitant and the beneficiary has

1 not communicated with the insurer within 4 months af-
2 ter the death, the company shall take reasonable
3 steps to pay the proceeds to the beneficiary.

4 7. Change of beneficiary form. Commencing 2
5 years after the effective date of this Act, every
6 change of beneficiary form issued by an insurance
7 company under any life or endowment insurance policy
8 or annuity contract to an insured or owner who is a
9 resident of this State must request the following in-
10 formation:

11 A. The name of each beneficiary or, if a class
12 of beneficiaries is named, the name of each cur-
13 rent beneficiary in the class;

14 B. The address of each beneficiary; and

15 C. The relationship of each beneficiary to the
16 insured.

17 §1709. Deposits held by utilities

18 A deposit, including any interest thereon, made
19 by a subscriber with a utility to secure payment or
20 any sum paid in advance for utility services to be
21 furnished, less any lawful deductions, that remains
22 unclaimed by the owner for more than one year after
23 termination of the services for which the deposit or
24 advance payment was made is presumed abandoned.

25 §1710. Refunds held by business associations

26 Except to the extent otherwise ordered by the
27 court or administrative agency, any sum that a busi-
28 ness association has been ordered to refund by a
29 court or administrative agency, which has remained
30 unclaimed by the owner for more than one year after
31 it became payable in accordance with the final deter-
32 mination or order providing for the refund, whether
33 or not the final determination or order requires any
34 person entitled to a refund to make a claim for it,
35 is presumed abandoned.

36 §1711. Stock and other intangible interests in busi-
37 ness associations

1 1. Presumed abandoned. Except as provided in
2 subsections 2 and 5, stock or other intangible owner-
3 ship interest in a business association, the exist-
4 ence of which is evidenced by records available to
5 the association, is presumed abandoned and, with re-
6 spect to the interest, the association is the holder
7 if a dividend, distribution or other sum payable as a
8 result of the interest has remained unclaimed by the
9 owner for 7 years and the owner within 7 years has
10 not:

11 A. Communicated in writing with the association
12 regarding the interest or a dividend, distribu-
13 tion or other sum payable as a result of the in-
14 terest; or

15 B. Otherwise communicated with the association
16 regarding the interest or a dividend, distribu-
17 tion or other sum payable as a result of the in-
18 terest, as evidenced by a memorandum or other
19 record on file with the association prepared by
20 an employee of the association.

21 2. Presumptive period. At the expiration of a
22 7-year period following the failure of the owner to
23 claim a dividend, distribution or other sum payable
24 to the owner as a result of the interest, the inter-
25 est is not presumed abandoned unless there have been
26 at least 7 dividends, distributions or other sums
27 paid during the period, none of which has been
28 claimed by the owner. If 7 dividends, distributions
29 or other sums are paid during the 7-year period, the
30 period leading to a presumption of abandonment com-
31 mences on the date that the payment of the first such
32 unclaimed dividend, distribution or other sum became
33 due and payable. If 7 dividends, distributions or
34 other sums are not paid during the presumptive peri-
35 od, the period continues to run until there have been
36 7 dividends, distributions or other sums that have
37 not been claimed by the owner.

38 3. Running of period of abandonment ceases. The
39 running of the 7-year period of abandonment ceases
40 immediately upon the occurrence of a communication
41 referred to in subsection 1. If any future dividend,
42 distribution or other sum payable to the owner as a
43 result of the interest is subsequently not claimed by

1 the owner, a new period of abandonment commences and
2 relates back to the time a subsequent dividend, dis-
3 tribution or other sum became due and payable.

4 4. Dividend; distribution; presumed abandoned.
5 At the time an interest is presumed abandoned under
6 this section, any dividend, distribution or other sum
7 then held for or owed to the owner as a result of the
8 interest, and not previously presumed abandoned, is
9 presumed abandoned.

10 5. Records available. This Act does not apply
11 to any stock or other intangible ownership interest
12 enrolled in a plan that provides for the automatic
13 reinvestment of dividends, distributions or other
14 sums payable as a result of the interest, unless the
15 records available to the administrator of the plan
16 show, with respect to any intangible ownership inter-
17 est not enrolled in the reinvestment plan, that the
18 owner has not within 7 years communicated in any man-
19 ner described in subsection 1.

20 §1712. Property of business associations held in
21 course of dissolution

22 Intangible property distributable in the course
23 of a dissolution of a business association, which re-
24 mains unclaimed by the owner for more than one year
25 after the date specified for final distribution, is
26 presumed abandoned.

27 §1713. Property held by agents and fiduciaries

28 1. Property presumed abandoned. Intangible
29 property and any income or increment derived there-
30 from held in a fiduciary capacity for the benefit of
31 another person is presumed abandoned unless the own-
32 er, within 5 years after it has become payable or
33 distributable, has increased or decreased the princi-
34 pal, accepted payment of principal or income, commu-
35 nicated concerning the property or otherwise indi-
36 cated an interest as evidenced by a memorandum or
37 other record on file prepared by the fiduciary.

38 2. Retirement accounts. Funds in an individual
39 retirement account or a retirement plan for self-
40 employed individuals or similar account or plan es-

1 established pursuant to the United States Internal Rev-
2 enue Code are not payable or distributable within the
3 meaning of subsection 1, unless under the terms of
4 the account or plan, distribution of all or part of
5 the funds is mandatory.

6 3. Business association; property. For the pur-
7 pose of this section, a person who holds property as
8 an agent for a business association is deemed to hold
9 the property in a fiduciary capacity for that busi-
10 ness association alone, unless the agreement between
11 that person and the business association provides
12 otherwise.

13 4. Extent of interest. For the purposes of this
14 Act, a person who is deemed to hold property in a fi-
15 ducuary capacity for a business association alone is
16 the holder of the property only insofar as the inter-
17 est of the business association in the property is
18 concerned, and the business association is the holder
19 of the property insofar as the interest of any other
20 person in the property is concerned.

21 §1714. Property held by courts and public agencies

22 Intangible property held for the owner by a
23 court, state or other government, governmental subdivi-
24 vision or agency, public corporation or public au-
25 thority which remains unclaimed by the owner for more
26 than one year after becoming payable or distributable
27 is presumed abandoned.

28 §1715. Gift certificates and credit memos

29 1. Presumed abandoned. A gift certificate of a
30 credit memo, issued in the ordinary course of an
31 issuer's business, which remains unclaimed by the
32 owner for more than 5 years after becoming payable or
33 distributable is presumed abandoned.

34 2. Amount. In the case of a gift certificate,
35 the amount presumed abandoned is the price paid by
36 the purchaser for the gift certificate. In the case
37 of a credit memo, the amount presumed abandoned is
38 the amount credited to the recipient of the memo.

39 §1716. Wages

1 Unpaid wages, including wages represented by
2 unpresented payroll checks, owing in the ordinary
3 course of the holder's business, which remain un-
4 claimed by the owner for more than one year after be-
5 coming payable, are presumed abandoned.

6 §1717. Contents of safe deposit box or other safe-
7 keeping repository

8 All tangible and intangible property held in a
9 safe deposit box or any other safekeeping repository
10 in this State in the ordinary course of the holder's
11 business and proceeds resulting from the sale of the
12 property permitted by other law, which remain un-
13 claimed by the owner for more than 5 years after the
14 lease or rental period on the box or other repository
15 has expired, are presumed abandoned.

16 §1718. Report of abandoned property

17 1. Report to administrator. A person holding
18 property, tangible or intangible, presumed abandoned
19 and subject to custody as unclaimed property under
20 this Act shall report to the administrator concerning
21 the property as provided in this section.

22 2. Verification. The report must be verified
23 and must include:

24 A. Except with respect to traveler's checks and
25 money orders, the name, if known, and last-known
26 address, if any, of each person appearing from
27 the records of the holder to be the owner of
28 property of the value of \$25 or more presumed
29 abandoned under this Act;

30 B. In the case of unclaimed funds of \$25 or more
31 held or owed under any life or endowment insur-
32 ance policy or annuity contract, the full name
33 and last-known address of the insured or annui-
34 tant and of the beneficiary according to the
35 records of the insurance company holding or owing
36 the funds;

37 C. In the case of the contents of a safe deposit
38 box or other safekeeping repository or of other
39 tangible property, a description of the property,

1 the place where it is held and may be inspected
2 by the administrator and any amounts owing to the
3 holder;

4 D. The nature and identifying number, if any, or
5 description of the property and the amount ap-
6 pearing from the records to be due, but items of
7 value under \$25 each may be reported in the ag-
8 gregate;

9 E. The date that the property became payable,
10 demandable or returnable, and the date of the
11 last transaction with the apparent owner with re-
12 spect to the property; and

13 F. Other information which the administrator
14 prescribes by rule as necessary for the adminis-
15 tration of this Act.

16 3. Successor's report. If the person holding
17 property presumed abandoned and subject to custody as
18 unclaimed property is a successor to other persons
19 who previously held the property for the apparent
20 owner or if the holder has changed his name while
21 holding the property, he shall file with his report
22 all known names and addresses of each previous holder
23 of the property.

24 4. Reporting date. The report must be filed be-
25 fore November 1st of each year as of June 30th, next
26 preceding, but the report of any life insurance com-
27 pany must be filed before May 1st of each year as of
28 December 31st, next preceding. On written request by
29 any person required to file a report, the administra-
30 tor may postpone the reporting date.

31 5. Notice. Not more than 120 days before filing
32 the report required by this section, the holder in
33 possession of property presumed abandoned and subject
34 to custody as unclaimed property under this Act shall
35 send written notice to the apparent owner at his
36 last-known address informing him that the holder is
37 in possession of property subject to this Act, if:

38 A. The holder has in its records an address for
39 the apparent owner which the holder's records do
40 not disclose to be inaccurate;

1 B. The claim of the apparent owner is not barred
2 by the statute of limitations; and

3 C. The property has a value of \$50 or more.

4 §1719. Notice and publication of lists of abandoned
5 property

6 1. Published notice. The administrator shall
7 cause a notice to be published not later than March
8 1st or, in the case of property reported by life in-
9 urance companies not later than September 1st, of
10 the year immediately following the report required by
11 section 1718. The notice shall be published at least
12 once a week for 2 consecutive weeks in a newspaper of
13 general circulation in this State in which the last-
14 known address of any person to be named in the notice
15 is located. If no address is listed or the address
16 is outside this State, the notice must be published
17 in the county in which the holder of the property has
18 its principal place of business within this State.

19 2. Requirements. The published notice must be
20 entitled "Notice of Names of Persons Appearing to be
21 Owners of Abandoned Property" and contain:

22 A. The names in alphabetical order and last-
23 known address, if any, of persons listed in the
24 report and entitled to notice within the county
25 as specified in subsection 1;

26 B. A statement that information concerning the
27 property and the name and last-known address of
28 the holder may be obtained by any person possess-
29 ing an interest in the property by addressing an
30 inquiry to the administrator; and

31 C. A statement that if proof of claim is not
32 presented by the owner to the holder and the
33 owner's right to receive the property is not es-
34 tablished to the holder's satisfaction before
35 April 20th or, in the case of property reported
36 by life insurance companies, before October 20th,
37 the property will be placed, not later than May
38 1st or, in the case of property reported by life
39 insurance companies, not later than November 1st,
40 in the custody of the administrator and all fur-

1 ther claims thereafter shall be directed to the
2 administrator.

3 3. Exception. The administrator is not required
4 to publish in the notice any item of less than \$50
5 unless he considers its publication to be in the pub-
6 lic interest.

7 4. Mailed notice. Not later than March 1st or,
8 in the case of property reported by life insurance
9 companies, not later than September 1st of the year
10 immediately following the report required by section
11 1718, the administrator shall mail a notice to each
12 person whose last-known address is listed in the re-
13 port and who appears to be entitled to property of
14 the value of \$50 or more presumed abandoned under
15 this Act and any beneficiary of a life or endowment
16 insurance policy or annuity contract for whom the ad-
17 ministrator has a last-known address.

18 5. Contents. The mailed notice must contain:

19 A. A statement that, according to a report filed
20 with the administrator, property is being held to
21 which the addressee appears entitled;

22 B. The name and last-known address of the person
23 holding the property and any necessary informa-
24 tion regarding the changes of name and last-known
25 address of the holder; and

26 C. A statement that, if satisfactory proof of
27 claim is not presented by the owner to the holder
28 by the date specified in the published notice,
29 the property will be placed in the custody of the
30 administrator and all further claims must be di-
31 rected to the administrator.

32 6. Application. This section is not applicable
33 to sums payable on traveler's checks, money orders
34 and other written instruments presumed abandoned un-
35 der section 1705.

36 \$1720. Payment or delivery of abandoned property

37 1. Deliver to administrator. Except as other-
38 wise provided in subsections 2 and 3, a person who is

1 required to file a report under section 1718, within
2 6 months after the final date for filing the report
3 as required by section 1718, shall pay or deliver to
4 the administrator all abandoned property required to
5 be reported.

6 2. Error in presumption of abandonment. If the
7 owner establishes the right to receive the abandoned
8 property to the satisfaction of the holder before the
9 property has been delivered or it appears that for
10 some other reason the presumption of abandonment is
11 erroneous, the holder need not pay or deliver the
12 property to the administrator and the property will
13 no longer be presumed abandoned. In that case, the
14 holder shall file with the administrator a verified
15 written explanation of the proof of claim or of the
16 error in the presumption of abandonment.

17 3. Property not reported. Property reported under
18 section 1718 for which the holder is not required
19 to report the name of the apparent owner must be de-
20 livered to the administrator at the time of filing
21 the report.

22 4. Evidence of ownership. The holder of an inter-
23 est under section 1711 shall deliver a duplicate
24 certificate or other evidence of ownership if the
25 holder does not issue certificates of ownership to
26 the administrator. Upon delivery of a duplicate cer-
27 tificate to the administrator, the holder and any
28 transfer agent, registrar or other person acting for
29 or on behalf of a holder in executing or delivering
30 the duplicate certificate is relieved of all liability
31 in accordance with section 1721 to every person,
32 including any person acquiring the original certifi-
33 cate or the duplicate of the certificate issued to
34 the administrator, for any losses or damages result-
35 ing to any person by the issuance and delivery to the
36 administrator of the duplicate certificate.

37 §1721. Custody by State; holder relieved from lia-
38 bility; reimbursement of holder paying claim;
39 reclaiming for owner; defense of holder; pay-
40 ment of safe deposit box or repository
41 charges

1 1. Custody of property. Upon the payment or de-
2 livery of property to the administrator, the State
3 assumes custody and responsibility for the safekeep-
4 ing of the property. A person who pays or delivers
5 property to the administrator in good faith is re-
6 lieved of all liability to the extent of the value of
7 the property paid or delivered for any claim then ex-
8 isting or which thereafter may arise or be made in
9 respect to the property.

10 2. Reimbursement. A holder who has paid money
11 to the administrator pursuant to this Act may make
12 payment to any person appearing to the holder to be
13 entitled to payment and, upon filing proof of payment
14 and proof that the payee was entitled to payment, the
15 administrator shall promptly reimburse the holder for
16 the payment without imposing any fee or other charge.
17 If reimbursement is sought for a payment made on a
18 negotiable instrument, including a traveler's check
19 or money order, the holder must be reimbursed under
20 this subsection upon filing proof that the instrument
21 was duly presented and that payment was made to a
22 person who appeared to the holder to be entitled to
23 payment. The holder must be reimbursed for payment
24 made under this subsection even if the payment was
25 made to a person whose claim was barred under section
26 1730, subsection 1.

27 3. Reclaim of property. A holder who has deliv-
28 ered property, including a certificate of any inter-
29 est in a business association, other than money to
30 the administrator pursuant to this Act may reclaim
31 the property if it is still in the possession of the
32 administrator, without paying any fee or other
33 charge, upon filing proof that the owner has claimed
34 the property from the holder.

35 4. Proof of facts. The administrator may accept
36 the holder's affidavit as sufficient proof of the
37 facts that entitle the holder to recover money and
38 property under this section.

39 5. Liability on competing claim. If the holder
40 pays or delivers property to the administrator in
41 good faith and thereafter another person claims the
42 property from the holder or another state claims the
43 money or property under its laws relating to escheat,

1 abandoned or unclaimed property, the administrator,
2 upon written notice of the claim, shall defend the
3 holder against the claim and indemnify the holder
4 against any liability on the competing claim.

5 6. Good faith. For the purposes of this sec-
6 tion, "good faith" means that:

7 A. Payment or delivery was made in a reasonable
8 attempt to comply with this Act;

9 B. The person delivering the property was not a
10 fiduciary then in breach of trust in respect to
11 the property and had a reasonable basis for be-
12 lieving, based on the facts then known to him,
13 that the property was abandoned for the purposes
14 of this Act; and

15 C. There is no showing that the records pursuant
16 to which the delivery was made did not meet rea-
17 sonable commercial standards of practice in the
18 industry.

19 7. Reimbursement of costs. Property removed
20 from a safe deposit box or other safekeeping reposi-
21 tory is received by the administrator subject to the
22 holder's right under this subsection to be reimbursed
23 for the actual cost of the opening and to any valid
24 lien or contract providing for the holder to be reim-
25 bursed for unpaid rent or storage charges. The ad-
26 ministrator shall reimburse or pay the holder out of
27 the proceeds remaining after deducting the adminis-
28 trator's selling cost.

29 §1722. Crediting of dividends, interest or
30 increments to owner's account

31 Whenever property other than money is paid or de-
32 livered to the administrator under this Act, the own-
33 er is entitled to receive from the administrator any
34 dividends, interest or other increments realized or
35 accruing on the property at or before liquidation or
36 conversion of the property into money.

37 §1723. Public sale of abandoned property

1 1. Highest bidder. Except as provided in sub-
2 sections 2 and 3, the administrator, within 3 years
3 after the receipt of abandoned property, shall sell
4 it to the highest bidder at public sale in whatever
5 city in the State affords, in the judgment of the ad-
6 ministrator, the most favorable market for the prop-
7 erty involved. The administrator may decline the
8 highest bid and reoffer the property for sale if, in
9 the judgment of the administrator, the bid is insuf-
10 ficient. If, in the judgment of the administrator,
11 the probable cost of the sale exceeds the value of
12 the property, it need not be offered for sale. Any
13 sale held under this section must be preceded by a
14 single publication of notice, at least 3 weeks in ad-
15 vance of the sale, in a newspaper of general circula-
16 tion in the county in which the property is to be
17 sold.

18 2. Securities. Securities listed on an estab-
19 lished stock exchange must be sold at prices prevail-
20 ing at the time of sale on the exchange. Other secu-
21 rities may be sold over the counter at prices pre-
22 vailing at the time of sale or by any other method
23 which the administrator considers advisable.

24 3. Securities not presumed abandoned. Unless
25 the administrator considers it to be in the best in-
26 terest of the State to do otherwise, all securities,
27 other than those presumed abandoned under section
28 1711, delivered to the administrator must be held for
29 at least one year before he may sell them.

30 4. Securities presumed abandoned. Unless the
31 administrator considers it to be in the best interest
32 of the State to do otherwise, all securities presumed
33 abandoned under section 1711 and delivered to the ad-
34 ministrator must be held for at least 3 years before
35 he may sell them. If the administrator sells any se-
36 curities delivered pursuant to section 1711 before
37 the expiration of the 3-year period, any person mak-
38 ing a claim pursuant to this Act before the end of
39 the 3-year period is entitled to either the proceeds
40 of the sale of the securities or the market value of
41 the securities at the time the claim is made, which-
42 ever amount is greater, less any deduction for fees
43 pursuant to section 1724, subsection 2. A person
44 making a claim under this Act after the expiration of

1 this period is entitled to receive either the securi-
2 ties delivered to the administrator by the holder, if
3 they still remain in the hands of the administrator,
4 or the proceeds received from the sale, less any
5 amounts deducted pursuant to section 1724, subsection
6 2, but no person has any claim under this Act against
7 the State, the holder, any transfer agent, registrar
8 or other person acting for or on behalf of a holder
9 for any appreciation in the value of the property oc-
10 curring after delivery by the holder to the adminis-
11 trator.

12 5. Property free of claims. The purchaser of
13 property at any sale conducted by the administrator
14 pursuant to this Act takes the property free of all
15 claims of the owner or previous holder of the proper-
16 ty and of all persons claiming through or under
17 claims. The administrator shall execute all docu-
18 ments necessary to complete the transfer of owner-
19 ship.

20 §1724. Deposit of funds

21 1. Deposit in General Fund. Except as otherwise
22 provided by this section, the administrator shall
23 promptly deposit in the General Fund of this State
24 all funds received under this Act, including the pro-
25 ceeds from the sale of abandoned property under sec-
26 tion 1723. The administrator shall retain in a sepa-
27 rate trust fund an amount not less than \$100,000 from
28 which prompt payment of claims duly allowed must be
29 made by him. Before making the deposit, the adminis-
30 trator shall record the name and last-known address
31 of each person appearing from the holders' reports to
32 be entitled to the property and the name and last-
33 known address of each insured person or annuitant and
34 beneficiary and, with respect to each policy or con-
35 tract listed in the report of an insurance company,
36 its number, the name of the company and the amount
37 due. The record must be available for public inspec-
38 tion at all reasonable business hours.

39 2. Deductions. Before making any deposit to the
40 credit of the General Fund, the administrator may de-
41 duct:

42 A. Any costs in connection with the sale of
43 abandoned property;

1 B. Costs of mailing and publication in connec-
2 tion with any abandoned property;

3 C. Reasonable service charges; and

4 D. Costs incurred in examining records of hold-
5 ers of property and in collecting the property
6 from those holders.

7 §1725. Filing of claim with administrator

8 1. Claim. A person, excluding another state,
9 claiming an interest in any property paid or deliv-
10 ered to the administrator may file with him a claim
11 on a form prescribed by him and verified by the
12 claimant.

13 2. Notice. The administrator shall consider
14 each claim within 90 days after it is filed and give
15 written notice to the claimant if the claim is denied
16 in whole or in part. The notice may be given by
17 mailing it to the last address, if any, stated in the
18 claim as the address to which notices are to be sent.
19 If no address for notices is stated in the claim, the
20 notice may be mailed to the last address, if any, of
21 the claimant as stated in the claim. No notice of
22 denial need be given if the claim fails to state ei-
23 ther the last address to which notices are to be sent
24 or the address of the claimant.

25 3. Amount payable to claimant. If a claim is
26 allowed, the administrator shall pay or deliver to
27 the claimant the property or the amount the adminis-
28 trator actually received or the net proceeds if it
29 has been sold by the administrator, together with any
30 additional amount required by section 1722. If the
31 claim is for property presumed abandoned under sec-
32 tion 1711 which was sold by the administrator within
33 3 years after the date of delivery, the amount pay-
34 able for that claim is the value of the property at
35 the time the claim was made or the net proceeds of
36 the sale, whichever is greater. If the property
37 claimed was interest-bearing to the owner on the date
38 of surrender by the holder, the administrator shall
39 pay interest at the current rate or any lesser rate
40 the property earned while in the possession of the
41 holder. Interest begins to accrue when the property

1 is delivered to the administrator and ceases at the
2 expiration of 10 years after delivery or the date on
3 which payment is made to the owner, whichever is ear-
4 lier. No interest on interest-bearing property is
5 payable for any period before the effective date of
6 this Act.

7 4. Interest. Any holder who pays the owner for
8 property that has been delivered to the State and
9 which, if claimed from the administrator, would be
10 subject to subsection 3 shall add interest as pro-
11 vided in subsection 3. The added interest must be
12 repaid to the holder by the administrator in the same
13 manner as the principal.

14 §1726. Claim of another state to recover property;
15 procedure

16 1. Requirements. At any time after property has
17 been paid or delivered to the administrator under
18 this Act, another state may recover the property if:

19 A. The property was subjected to custody by this
20 State because the records of the holder did not
21 reflect the last-known address of the apparent
22 owner when the property was presumed abandoned
23 under this Act, and the other state establishes
24 that the last-known address of the apparent owner
25 or other person entitled to the property was in
26 that state and, under the laws of that state, the
27 property escheated to or was subject to a claim
28 of abandonment by that state;

29 B. The last-known address of the apparent owner
30 or other person entitled to the property, as re-
31 flected by the records of the holder, is in the
32 other state and, under the laws of that state,
33 the property has escheated to or become subject
34 to a claim of abandonment by that state;

35 C. The records of the holder were erroneous in
36 that they did not accurately reflect the actual
37 owner of the property and the last-known address
38 of the actual owner is in the other state and,
39 under the laws of that state, the property es-
40 cheated to or was subject to a claim of abandon-
41 ment by that state;

1 D. The property was subjected to custody by this
2 State under section 1704, subsection 6, and, un-
3 der the laws of the state of domicile of the
4 holder, the property has escheated to or become
5 subject to a claim of abandonment by that state;
6 or

7 E. The property is the sum payable on a
8 traveler's check, money order or other similar
9 instrument that was subjected to custody by this
10 State under section 1705 and the instrument was
11 purchased in the other state and, under the laws
12 of that state, the property escheated to or be-
13 came subject to a claim of abandonment by that
14 state.

15 2. Prescribed form. The claim of another state
16 to recover escheated or abandoned property must be
17 presented in a form prescribed by the administrator,
18 who shall decide the claim within 90 days after it is
19 presented. The administrator shall allow the claim
20 if he determines that the other state is entitled to
21 the abandoned property under subsection 1.

22 3. Liability. The administrator shall require a
23 state, before recovering property under this section,
24 to agree to indemnify this State and its officers and
25 employees against any liability on a claim for the
26 property.

27 §1727. Action to establish claim

28 A person aggrieved by a decision of the adminis-
29 trator or whose claim has not been acted upon within
30 90 days after its filing may bring an action to es-
31 tablish the claim in a court of appropriate jurisdic-
32 tion, naming the administrator as a defendant. The
33 action must be brought within 90 days after the deci-
34 sion of the administrator or within 180 days after
35 the filing of the claim if he has failed to act on
36 it. If the aggrieved person establishes the claim in
37 an action against the administrator, the court shall
38 award him costs and reasonable attorneys fees.

39 §1728. Election to take payment or delivery

1 1. Value. The administrator may decline to re-
2 ceive any property reported under this Act which he
3 considers to have a value less than the expense of
4 giving notice and of the sale. If the administrator
5 elects not to receive custody of the property, the
6 holder shall be notified within 120 days after filing
7 the report required under section 1718.

8 2. Delivery before property presumed abandoned.
9 A holder, with the written consent of the administra-
10 tor and upon conditions and terms prescribed by him,
11 may report and deliver property before the property
12 is presumed abandoned. Property delivered under
13 this subsection must be held by the administrator and
14 is not presumed abandoned until such time as it oth-
15 erwise would be presumed abandoned under this Act.

16 §1729. Destruction or disposition of property having
17 insubstantial commercial value; immunity from
18 liability

19 If the administrator determines after investiga-
20 tion that any property delivered under this Act has
21 insubstantial commercial value, the administrator may
22 destroy or otherwise dispose of the property at any
23 time. No action or proceeding may be maintained
24 against the state or any officer or against the hold-
25 er for or on account of any action taken by the ad-
26 ministrator pursuant to this section.

27 §1730. Periods of limitation

28 1. Effect of time periods. The expiration, be-
29 fore or after the effective date of this Act, of any
30 period of time specified by contract, statute or
31 court order, during which a claim for money or prop-
32 erty may be made or during which an action or pro-
33 ceeding may be commenced or enforced to obtain pay-
34 ment of a claim for money or to recover property,
35 does not prevent the money or property from being
36 presumed abandoned or affect any duty to file a re-
37 port or to pay or deliver abandoned property to the
38 administrator as required by this Act.

39 2. Limitation of actions. No action or proceed-
40 ing may be commenced by the administrator with re-
41 spect to any duty of a holder under this Act more
42 than 10 years after the duty arose.

1 §1731. Requests or reports and examination of
2 records

3 1. Report. The administrator may require any
4 person who has not filed a report to file a verified
5 report stating whether or not the person is holding
6 any unclaimed property reportable or deliverable un-
7 der this Act.

8 2. Examination of records. The administrator,
9 at reasonable times and upon reasonable notice, may
10 examine the records of any person to determine wheth-
11 er the person has complied with this Act. The admin-
12 istrator may conduct the examination even if the per-
13 son believes he is not in possession of any property
14 reportable or deliverable under this Act.

15 3. Examination of business association records.
16 If a person is treated under section 1713, as the
17 holder of the property only insofar as the interest
18 of the business association in the property is con-
19 cerned, the administrator, pursuant to subsection 2,
20 may examine the records of the person if the adminis-
21 trator has given the notice required by subsection 2
22 to both the person and the business association at
23 least 90 days before the examination.

24 4. Costs of examination recoverable. If an ex-
25 amination of the records of a person results in the
26 disclosure of property reportable and deliverable un-
27 der this Act, the administrator may assess the cost
28 of the examination against the holder at the rate of
29 \$100 a day for each examiner, but in no case may the
30 charges exceed the value of the property found to be
31 reportable and deliverable. The cost of examination
32 made pursuant to subsection 3 may be imposed only
33 against the business association.

34 5. Insufficient records. If a holder fails af-
35 ter the effective date of this Act to maintain the
36 records required by section 1732 and the records of
37 the holder available for the periods subject to this
38 Act are insufficient to permit the preparation of a
39 report, the administrator may require the holder to
40 report and pay such amounts as may be reasonably es-
41 timated from any available records.

1 §1732. Retention of records

2 1. Holder of property. Every holder required to
3 file a report under section 1718, as to any property
4 for which it has obtained the last-known address of
5 the owner, shall maintain a record of the name an
6 last-known address of the owner for 10 years after
7 the property becomes reportable, except to the extent
8 that a shorter time is provided in subsection 2 or by
9 rule of the administrator.

10 2. Business associations. Any business associa-
11 tion that sells in this State traveler's checks, mon-
12 ey orders or other similar written instruments, other
13 than 3rd-party bank checks to which the business as-
14 sociation is directly liable, or that provides such
15 instruments to others for sale in this State, shall
16 maintain a record of those instruments while they re-
17 main outstanding, indicating the state and date of
18 issue, for 3 years after the date the property is re-
19 portable.

20 §1733. Enforcement

21 The administrator may bring an action in a court
22 of competent jurisdiction to enforce this Act.

23 §1734. Interstate agreements and cooperation; joint
24 and reciprocal actions with other states

25 1. Agreements with other states. The adminis-
26 trator may enter into agreements with other states to
27 exchange information needed to enable this or another
28 state to audit or otherwise determine unclaimed prop-
29 erty that it or another state may be entitled to sub-
30 ject to a claim of custody. The administrator by
31 rule may require the reporting of information needed
32 to enable compliance with agreements made pursuant to
33 this section and prescribe the form.

34 2. Conflicts. To avoid conflicts between the
35 administrator's procedures and the procedures of ad-
36 ministrators in other jurisdictions that enact the
37 Uniform Unclaimed Property Act, the administrator, as
38 far as is consistent with the purposes, policies and
39 provisions of this Act, before adopting, amending or
40 repealing rules, shall advise and consult with admin-

1 istrators in other jurisdictions that enact substan-
2 tially the Uniform Unclaimed Property Act and take
3 into consideration the rules of administrators in
4 other jurisdictions that enact the Uniform Unclaimed
5 Property Act.

6 3. Enforcement. The administrator may join with
7 other states to seek enforcement of this Act against
8 any person who is or may be holding property report-
9 able under this Act.

10 4. Actions. At the request of another state,
11 the Attorney General of this State may bring an ac-
12 tion in the name of the administrator of the other
13 state in any court of competent jurisdiction to en-
14 force the unclaimed property laws of the other state
15 against a holder in this State of property subject to
16 escheat or a claim of abandonment by the other state,
17 if the other state has agreed to pay expenses in-
18 curring by the Attorney General in bringing the ac-
19 tion.

20 5. Actions in other states. The administrator
21 may request that the attorney general of another
22 state or any other person bring an action in the name
23 of the administrator in the other state. This State
24 shall pay all expenses including attorneys fees in
25 any action under this subsection. The administrator
26 may agree to pay attorneys fees to the person bring-
27 ing the action, based in whole or in part on a per-
28 centage of the value of any property recovered in the
29 action. Any expenses paid pursuant to this subsec-
30 tion may not be deducted from the amount that is sub-
31 ject to the claim by the owner under this Act.

32 §1735. Interest and penalties

33 1. Interest; penalty. A person who fails to pay
34 or deliver property within the time prescribed by
35 this Act shall pay to the administrator interest at
36 the annual rate of 18%, 10% above the annual rate of
37 discount, in effect on the date the property should
38 have been paid or delivered, for the most recent is-
39 sue of 52-week United States Treasury bills, on the
40 property or value thereof from the date the property
41 should have been paid or delivered.

1 2. Willful failure to perform duties. A person
2 who willfully fails to render any report or perform
3 other duties required under this Act shall pay a civil
4 penalty of \$100 for each day the report is with-
5 held or the duty is not performed, but not more than
6 \$5,000.

7 3. Willful failure to deliver property. A per-
8 son who willfully fails to pay or deliver property to
9 the administrator as required under this Act shall
10 pay a civil penalty equal to 25% of the value of the
11 property that should have been paid or delivered.

12 4. Refusal after demand. A person who willfully
13 refuses after written demand by the administrator to
14 pay or deliver property to the administrator as re-
15 quired under this Act commits a Class E crime.

16 §1736. Agreement to locate reported property

17 All agreements to pay compensation to recover or
18 assist in the recovery of property reported under
19 section 1718, made within 24 months after the date
20 payment or delivery is made under section 1720, are
21 unenforceable.

22 §1737. Foreign transactions

23 This Act does not apply to any property held, due
24 and owing in a foreign country and arising out of a
25 foreign transaction.

26 §1738. Effect of new provisions; clarification of
27 application

28 1. Applicable provisions. This Act does not re-
29 lieve a holder of a duty that arose before the effec-
30 tive date of this Act to report, pay or deliver prop-
31 erty. A holder who did not comply with the law in
32 effect before the effective date of this Act is sub-
33 ject to the applicable enforcement and penalty provi-
34 sions that then existed and are continued in effect
35 for the purpose of this subsection, subject to sec-
36 tion 1730, subsection 2.

37 2. Property not previously reported. The ini-
38 tial report filed under this Act for property that

1 was not required to be reported before the effective
2 date of this Act, but which is subject to this Act,
3 must include all items of property that would have
4 been presumed abandoned during the 10-year period
5 preceding the effective date of this Act as if this
6 Act had been in effect during that period.

7 §1739. Rules

8 The administrator may adopt necessary rules to
9 carry out this Act.

10 §1740. Uniformity of application and construction

11 This Act shall be applied and construed as to ef-
12 fectuate its general purpose to make the law uniform
13 with respect to the subject of this Act among states
14 enacting it.

15

STATEMENT OF FACT

16 Thirty-one states and the District of Columbia
17 have enacted either the original 1954 version of the
18 Uniform Disposition of Unclaimed Property Act, or the
19 1966 revision of that Act. Of the remaining 19
20 states, all but 2 have some form of escheat or aban-
21 doned property laws. The 1954 uniform Act was
22 drafted as a response to conflicting legislation
23 among the various states and in response to a series
24 of Supreme Court decisions in the late 1940's and
25 early 1950's. The 1954 and 1966 Acts served well as
26 evidenced by their numerous adoptions. However, the
27 era of stability was ended with the decision in Texas
28 v. New Jersey, 379 United States Code 674, (1965).
29 That decision established a set of priorities for
30 claimant states which were, in some instances, incon-
31 sistent with those established by the uniform Act. A
32 few states which previously had enacted the uniform
33 Act have changed their laws to reflect the holding in
34 Texas v. New Jersey.

35 In the last decade, states have become increas-
36 ingly aware of the opportunities for collecting and
37 returning unclaimed money to their residents and
38 using the "windfall" unreturned funds as general fund

1 receipts for the benefit of citizens of the state.
2 Accordingly, several states have sought to enforce
3 their unclaimed property laws with enhanced vigor.
4 They have found, however, that obtaining compliance
5 with the law has been extremely difficult. In some
6 instances, the uncertain status of unclaimed property
7 laws in the wake of Texas v. New Jersey accounts for
8 the high degree of noncompliance; many holders feel
9 they do not know what is required of them. In addition,
10 the enforcement provisions of the uniform Act
11 are inadequate and have not served to encourage compliance
12 with the Act.

13 The uniform Act served its time. However, to
14 conform the uniform Act expressly to the Supreme
15 Court ruling in Texas v. New Jersey, a comprehensive
16 revision is desirable.

17 The 1954 and 1966 uniform Acts responded to the
18 need for symmetry in the law for the benefit of persons
19 doing business in more than one state. Widespread
20 enactment of the uniform Act by the states indicates
21 their recognition of the need for uniformity.

22 Since the 1954 and 1966 Acts are inconsistent
23 with Texas v. New Jersey and other cases, the conference,
24 after receiving the report of a study committee,
25 decided to revise the uniform Act once again.

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