CS FOR HOUSE BILL NO. 434(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 3/25/96
Referred: Judiciary

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act relating to unclaimed property; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 34.45.200(e) is repealed and reenacted to read:

(e) Stock or other intangible ownership interest enrolled in a plan that provides

for the automatic reinvestment of dividends, distributions, or other money payable as a

result of the interest is presumed abandoned if the owner has not communicated

(1) in a manner described in (a) of this section; or

(2) within seven years after

(A) the date of the second mailing of a statement of account or

other notification or communication that was returned as undeliverable; or

(B) the holder discontinued mailings, notifications, or

communications to the apparent owner.

* Sec. 2. AS 34.45.280(b) is amended to read:

(b) The report must be verified and must include

(1) except with respect to traveler's checks and money orders, the name,
if known, and last known address, if any, of each person appearing from the records of
the holder to be the owner of property, the value of which is $100 [$25] or more,
presumed abandoned under AS 34.45.110 - 34.45.430 and other statutes specifically
made subject to this reporting requirement;

(2) in the case of unclaimed money amounting to $100 [$50] or more,
held or owing under a life or endowment insurance policy or annuity contract, the full
name and last known address of the insured or annuitant and of the beneficiary or other
person who is entitled to the proceeds according to the records of the insurance company
holding or owing the funds;

(3) in the case of the contents of a safe deposit box or other safekeeping
repository or of other tangible personal property, a description of the property and the
place where it is held and may be inspected by the department, and any amounts owing
to the holder;

(4) the nature and identifying number, if any, or description of the
property and the amount appearing from the records to be due; items of value under
$100 [$25] each may be reported in the aggregate;

(5) the date the property became payable, demandable, or returnable, and
the date of the last transaction with the apparent owner with respect to the property; and

(6) other information that the department prescribes by regulation as
necessary for the administration of this chapter.

* Sec. 3. AS 34.45.280(d) is amended to read:

   (d) The report required under (a) of this section shall be filed before November 1
of each year for unclaimed property held as of June 30 of that year [. BUT THE
REPORT OF A LIFE INSURANCE COMPANY SHALL BE FILED BEFORE MAY 1
OF EACH YEAR FOR UNCLAIMED PROPERTY HELD AS OF DECEMBER 31 OF
THE PRECEDING YEAR]. On written request by a person required to file a report, the
commissioner may postpone the reporting date.

* Sec. 4. AS 34.45.280(e) is amended to read:

   (e) Not more than 120 days before filing the report required by this section, the
holder in possession of property presumed abandoned and subject to custody as
unclaimed property under AS 34.45.110 - 34.45.430 shall send written notice to the
apparent owner at the owner’s last known address informing the owner that the holder
is in possession of property subject to this chapter if

(1) the holder has in its records an address for the apparent owner that
the holder believes to be accurate;

(2) the claim of the apparent owner is not barred by the statute of
limitations; and

(3) the property has a value of $100 [$50] or more.

* Sec. 5. AS 34.45.310(a) is amended to read:

(a) The department shall publish a notice not later than the June 30 [MARCH 1]
following the submission of the report required by AS 34.45.280 [, OR IN THE CASE
OF PROPERTY REPORTED BY LIFE INSURANCE COMPANIES, NOT LATER
THAN THE SEPTEMBER 1 FOLLOWING THE SUBMISSION OF THE REPORT].
The notice shall be published [AT LEAST ONCE A WEEK FOR TWO
CONSECUTIVE WEEKS] in a newspaper of general circulation in the area of the state
in which the last known address of a person to be named in the notice is located. If no
address is listed or the address is outside the state, the notice shall be published in a
newspaper of general circulation in the area in which the holder of property has its
principal place of business in the state.

* Sec. 6. AS 34.45.310(b) is amended to read:

(b) The published notice must be entitled "Notice of Names of Persons
Appearing to be Owners of Abandoned Property" and must contain

(1) the names, in alphabetical order, [AND LAST KNOWN ADDRESS,
IF ANY,] of persons listed in the reports and entitled to notice within the area as
specified in (a) of this section; and

(2) a statement that information concerning the property [AND THE
NAME AND LAST KNOWN ADDRESS OF THE HOLDER] may be obtained by
addressing an inquiry to the department []; AND

(3) A STATEMENT THAT IF PROOF OF CLAIM IS NOT
PRESENTED BY THE OWNER TO THE HOLDER, AND THE OWNER’S RIGHT
TO RECEIVE THE PROPERTY IS NOT ESTABLISHED TO THE HOLDER’S
SATISFACTION BEFORE APRIL 20 OF THE YEAR OF PUBLICATION, OR, IN
THE CASE OF PROPERTY REPORTED BY A LIFE INSURANCE COMPANY,
BEFORE OCTOBER 20, THE PROPERTY WILL BE PLACED NOT LATER THAN
MAY 1 OF THAT YEAR, OR IN THE CASE OF PROPERTY REPORTED BY A
LIFE INSURANCE COMPANY, NOT LATER THAN NOVEMBER 1, IN THE
CUSTODY OF THE DEPARTMENT AND ALL FURTHER CLAIMS SHALL BE
DIRECTED TO THE DEPARTMENT AFTER THAT PLACEMENT].

* Sec. 7. AS 34.45.310(c) is amended to read:

(c) The department is not required to publish in the notice an item of less than
$100 [$50] in value unless the department considers the publication of the item to be in
the public interest.

* Sec. 8. AS 34.45.320(a) is amended to read:

(a) Except as otherwise provided in (b) AND (c) of this section, a person who
is required to file a report under AS 34.45.280, shall, at the time of [WITHIN SIX
MONTHS AFTER THE FINAL DATE FOR] filing the report under that section, pay
or deliver to the administrator all of the property shown on the report and
remaining unclaimed by the apparent owner. Upon written request showing good
cause, the administrator may postpone the payment or delivery upon the terms or
conditions the administrator considers necessary and appropriate. The property
paid or delivered to the administrator must include all interest, dividends,
increments, and accretions due, payable, or distributable on the property at the
time of filing the report. If payment or delivery is postponed, the property paid or
delivered to the administrator must include all interest, dividends, increments, and
accretions due, payable, or distributable on the day that the property is paid or
delivered to the administrator [DEPARTMENT ALL ABANDONED PROPERTY
REQUIRED TO BE REPORTED].

* Sec. 9. AS 34.45.700 is repealed and reenacted to read:

Sec. 34.45.700. AGREEMENT TO LOCATE REPORTED PROPERTY. (a)
An agreement to pay compensation to locate, deliver, recover, or assist in the recovery
of property reported under AS 34.45.280 while in the possession of a holder is
unenforceable if made

(1) before the date payment or delivery is made under AS 34.45.320;

or

(2) within 24 months after the date payment or delivery is made under

AS 34.45.320.
(b) An agreement executed after the 24-month period is enforceable only if

(1) the fee or compensation is not more than

(A) 20 percent of the value of the property if the value of the property is less than $500; and

(B) 10 percent of the value of the property if the value of the property is $500 or more;

(2) the agreement is in writing, signed by the apparent owner, does not exceed six months, and specifies the fees to be charged, nature and value of the property, and the value of the apparent owner’s share after the fee or compensation is deducted.

(c) This section does not preclude an owner from asserting that an agreement to locate property is otherwise invalid.

* Sec. 10. AS 34.45.760(3) is amended to read:

(3) "business association" means a nonpublic corporation, joint stock company, investment company, business trust, mutual fund, joint venture, limited liability company, partnership, or association for business purposes or other business entity of one or more individuals, whether or not for profit, including a banking organization, financial organization, insurance company, or utility;

* Sec. 11. AS 34.45.760(10) is amended to read:

(10) "intangible property"

(A) includes

(i) money, checks, drafts, warrants, deposits, interest, dividends, and income;

(ii) credit balances, customer overpayments, gift certificates, security deposits, refunds, credit memos, unpaid wages, and unidentified remittances;

(iii) stocks and other intangible ownership interests in business associations;

(iv) money deposited to redeem stocks, bonds, coupons, and other securities, or to make distributions;

(v) amounts due and payable under the terms of insurance policies; and

(vi) amounts distributable from a trust or custodial fund
established under a plan to provide health, welfare, pension, vacation,
severance, retirement, death, stock purchase, profit-sharing, employee
savings, supplemental unemployment insurance, or similar benefits;
(B) does not include
(i) unused airline tickets;
(ii) shares of stock issued by a corporation organized
under 43 U.S.C. 1601 - 1629a (Alaska Native Claims Settlement Act) or
unclaimed dividends payable on the shares of stock; or
(iii) overpaid contributions by employers to the
unemployment compensation fund under AS 23.20.130;

* Sec. 12. AS 34.45.310(d), 34.45.310(e), and 34.45.320(c) are repealed.

* Sec. 13. This Act takes effect July 1, 1996.