

SENATE BILL NO. 231

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 5/21/03

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act shortening the time periods after which certain unclaimed property is
2 presumed to be abandoned; and providing for an effective date."

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

4 * **Section 1.** AS 34.45.110(a) is amended to read:

5 (a) Except as otherwise provided in AS 34.45.120 - 34.45.780, all intangible
6 property, including income or increment derived from the property, less lawful
7 charges, that is held, issued, or owing in the ordinary course of a holder's business and
8 has remained unclaimed by the owner for more than **three** [FIVE] years after
9 becoming payable or distributable is presumed abandoned.

10 * **Sec. 2.** AS 34.45.140(b) is amended to read:

11 (b) Subject to (d) of this section, money payable on a money order or similar
12 written instrument, other than a third-party bank check, that has been outstanding for
13 more than **five** [SEVEN] years after its issuance is presumed abandoned unless the
14 owner, within the preceding **five** [SEVEN] years, has communicated in writing with

1 the issuer concerning it or otherwise indicated an interest as evidenced by a
2 memorandum or other record, on file, prepared by an employee of the issuer.

3 * **Sec. 3.** AS 34.45.150(a) is amended to read:

4 (a) Other than money payable on an instrument that is subject to
5 AS 34.45.140, money payable on a check, draft, or similar instrument on which a
6 banking or financial organization is directly liable, including a cashier's check and a
7 certified check, that has been outstanding for more than five [SEVEN] years after it
8 was payable or after its issuance if payable on demand, is presumed abandoned. This
9 presumption does not apply if the owner, within the preceding five [SEVEN] years,
10 has communicated in writing with the banking or financial organization concerning
11 the instrument or has otherwise indicated an interest as evidenced by a memorandum
12 or other record, on file, prepared by an employee of the organization.

13 * **Sec. 4.** AS 34.45.160(a) is amended to read:

14 (a) A demand, savings, or matured time deposit with a banking or financial
15 organization, including a deposit that is automatically renewable, and money paid
16 toward the purchase of a share, a mutual investment certificate, or other intangible
17 property interest in a banking or financial organization is presumed abandoned unless
18 the owner, within the preceding five [SEVEN] years, has

19 (1) in the case of a deposit, increased or decreased its amount or
20 presented the passbook or other similar evidence of the deposit for the crediting of
21 interest;

22 (2) communicated in writing with the banking or financial organization
23 concerning the property;

24 (3) otherwise indicated an interest in the property as evidenced by a
25 memorandum or other record, on file, prepared by an employee of the banking or
26 financial organization;

27 (4) owned other property to which (1), (2), or (3) of this subsection
28 applies and the banking or financial organization has communicated in writing with
29 the owner with regard to the property that would otherwise be presumed abandoned
30 under this subsection at the address to which communications regarding the other
31 property are regularly sent; or

1 (5) had another relationship with the banking or financial organization
2 concerning which the owner has

3 (A) communicated in writing with the banking or financial
4 organization or otherwise indicated an interest as **evidenced** [EVIDENCE] by
5 a memorandum or other record, on file, prepared by an employee of the
6 banking or financial organization; and

7 (B) the banking or financial organization communicates in
8 writing with the owner with regard to the property that would otherwise be
9 abandoned under this subsection at the address to which communications
10 regarding the other relationship regularly are sent.

11 * **Sec. 5.** AS 34.45.170(a) is amended to read:

12 (a) Money held or owing under a life or endowment insurance policy or
13 annuity contract that has matured or terminated is presumed abandoned if unclaimed
14 for more than **three** [FIVE] years after the money became due and payable as
15 established from the records of the insurance company holding or owing the money.
16 However, property described in (c)(2) of this section is presumed abandoned if
17 unclaimed for more than two years.

18 * **Sec. 6.** AS 34.45.200(a) is amended to read:

19 (a) Except as otherwise provided in AS 34.45.210 and (b), (e), and (f) of this
20 section, stock or other intangible ownership interest in a business association, the
21 existence of which is evidenced by records available to the association, is presumed
22 abandoned and, with respect to the ownership interest, the association is the holder, if
23 a dividend, distribution, or other money payable as a result of the interest has
24 remained unclaimed by the owner for **five** [SEVEN] years after the money became
25 payable, and the owner, within that **five** [SEVEN] years, has not

26 (1) communicated in writing with the association regarding the
27 ownership interest or a dividend, distribution, or other money payable as a result of the
28 interest; or

29 (2) otherwise communicated with the association regarding the
30 ownership interest or a dividend, distribution, or other money payable as a result of the
31 interest, as evidenced by a memorandum or other record, on file with the association,

1 prepared by an employee of the association.

2 * **Sec. 7.** AS 34.45.200(b) is amended to read:

3 (b) At the expiration of a **five-year** [SEVEN-YEAR] period following the
 4 failure of the owner to claim a dividend, distribution, or other money payable to the
 5 owner as a result of the ownership interest, the interest is not presumed abandoned
 6 unless there have been at least **five** [SEVEN] dividends, distributions, or other
 7 payments paid during the period, none of which has been claimed by the owner. If
 8 **five** [SEVEN] dividends, distributions, or other payments are paid during the **five-**
 9 **year** [SEVEN-YEAR] period, the ownership interest is presumed abandoned at the
 10 end of the **five-year** [SEVEN-YEAR] period. If **five** [SEVEN] dividends,
 11 distributions, or other payments are not paid during the **five-year** [SEVEN-YEAR]
 12 period, the period continues to run until there have been **five** [SEVEN] dividends,
 13 distributions, or other payments that have not been claimed by the owner.

14 * **Sec. 8.** AS 34.45.200(c) is amended to read:

15 (c) The running of the **five-year** [SEVEN-YEAR] period of abandonment
 16 ceases immediately upon the occurrence of a communication described in (a) of this
 17 section. If a subsequent dividend, distribution, or other money payable to the owner as
 18 a result of the ownership interest is not claimed by the owner, a new **five-year**
 19 [SEVEN-YEAR] period of abandonment commences at the time that subsequent
 20 dividend, distribution, or other money became due and payable.

21 * **Sec. 9.** AS 34.45.200(e) is amended to read:

22 (e) Stock or other intangible ownership interest enrolled in a plan that provides
 23 for the automatic reinvestment of dividends, distributions, or other money payable as a
 24 result of the interest is presumed abandoned if the owner has not communicated

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

26 (2) within **five** [SEVEN] years after

27 (A) the date of the second mailing of a statement of account or
 28 other notification or communication that was returned as undeliverable; or

29 (B) the holder discontinued mailings, notifications, or
 30 communications to the apparent owner.

31 * **Sec. 10.** AS 34.45.220(a) is amended to read:

1 (a) Intangible property and income or increment derived from the intangible
2 property held in a fiduciary capacity for the benefit of another person is presumed
3 abandoned unless the owner, within three [FIVE] years after it has become payable or
4 distributable, has increased or decreased the principal, accepted payment of principal
5 or income, communicated concerning the property, or otherwise indicated an interest
6 as evidenced by a memorandum or other record, on file, prepared by the fiduciary.

7 * **Sec. 11.** AS 34.45.240(a) is amended to read:

8 (a) A gift certificate or a credit memo, issued in the ordinary course of an
9 issuer's business, that remains unclaimed by the owner for more than three [FIVE]
10 years after becoming payable or distributable is presumed abandoned.

11 * **Sec. 12.** The uncodified law of the State of Alaska is amended by adding a new section to
12 read:

13 **APPLICABILITY.** The changes made by this Act apply to property that meets either
14 of the following:

15 (1) property that, on the effective date of this Act, already was subject to a
16 statutory provision amended by this Act;

17 (2) property that, on or after the effective date of this Act, becomes subject to
18 a statutory provision amended by this Act.

19 * **Sec. 13.** This Act takes effect June 29, 2003.