

Introduced: 4/9/81
Referred: Judiciary

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 491

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the disposition of unclaimed pro-
7 perty; and providing for an effective date."

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

9 * Section 1. AS 09.50 is amended by adding a new section to read:

10 Sec. 09.50.075. POSSESSION BY DEPARTMENT FOR FIVE YEARS. The
11 department shall take possession of and administer real property which
12 the superior court determines may escheat to the state as provided in
13 AS 34.45.370.

14 * Sec. 2. AS 09.50.110 is amended to read:

15 Sec. 09.50.110. CLAIM TO REAL PROPERTY AFTER COURT ACTION. [TIME
16 WITHIN WHICH TO CLAIM ESCHEATED PROPERTY.] (a) If a court determines
17 that real property may escheat to the state [WITHIN SEVEN YEARS AFTER
18 THE JUDGMENT,] a person not a party to the escheat proceeding may, with-
19 in five years following the date of the judgment, bring an action in
20 the superior court to prove his or her claim to the property. If the
21 plaintiff establishes the [HIS] claim and establishes that he or she
22 had no knowledge of the prior escheat proceeding, the court shall award
23 the property to the plaintiff. If it is determined that the plaintiff
24 is entitled to the property [OR THE PROCEEDS FROM THE SALE OF THE
25 PROPERTY], the department [COMMISSIONER OF REVENUE] shall deliver the
26 property [OR THE PROCEEDS] to the plaintiff upon payment of the costs
27 of the escheat proceedings [, THE COST OF SALE AND OTHER EXPENSES
28 CONNECTED WITH THE CONVERSION OF THE PROPERTY TO CASH]. The rents,
29 profits, interest, or dividends which accrue to the state during its

1 possession of the property are the property of the state and may not be
2 recovered.

3 (b) The time limitation of five [SEVEN] years does not apply to a
4 minor or person of unsound mind, but such a person may bring an action
5 to prove a [HIS] claim only within one year after the [HIS] disability
6 ceases. In case the state has sold or has made substantial improvements
7 to the property, a person making a claim to property under this subsec-
8 tion is entitled to only the net proceeds of the sale or an amount equal
9 to the fair market value of the property at the time the property es-
10 cheated to the state.

11 * Sec. 3. AS 09.50 is amended by adding a new section to read:

12 Sec. 09.50.115. ESCHEAT TO STATE. Real property unclaimed five
13 years after the final judgment of a court determining that the property
14 may escheat to the state, becomes the property of the state as of the
15 date of the final judgment.

16 * Sec. 4. AS 09.50 is amended by adding a new section in art. 2 to
17 read:

18 Sec. 09.50.165. DEFINITIONS. In this chapter

19 (1) "department" means the Department of Revenue;

20 (2) "escheat" means vesting of title to property, with all
21 rights and interest in the property, in the state.

22 * Sec. 5. AS 13.11.025 is amended to read:

23 Sec. 13.11.025. NO TAKER. If there is no taker under the provi-
24 sions of this chapter [,]

25 (1) personal property in the intestate estate passes to the
26 state and is subject to AS 34.45.270(b) -- 34.45.850; if notice to the
27 owner, substantially equivalent to that required by AS 34.45.300, has
28 been given by the personal representative or other person, AS 34.45.300
29 does not apply;

1 (2) real property in the intestate estate passes to the state
2 and is subject to AS 34.45.400 -- 34.45.850 and AS 09.50.075 --09.50.-
3 165.

4 * Sec. 6. AS 13.16.600(a) is amended to read:

5 (a) If an heir, devisee or claimant cannot be found, the personal
6 representative shall distribute the share of personal property of the
7 missing person to his conservator, if any, otherwise to the Department
8 [COMMISSIONER] of Revenue to be deposited in the general fund as re-
9 quired by AS 34.45.410. Property distributable to the Department of
10 Revenue is subject to AS 34.45.270(b) -- 34.45.850. If notice to the
11 owner, substantially equivalent to that required by AS 34.45.300, has
12 been given by the personal representative or other person, AS 34.45.300
13 does not apply [BECOME PART OF THE STATE ESCHEAT FUND].

14 * Sec. 7. AS 13.16.600 is amended by adding a new subsection to read:

15 (c) Real property distributable to a missing heir, devisee, or
16 claimant shall be distributed first to his conservator, if any, and
17 otherwise reported to the Department of Revenue. Real property report-
18 ed under this section is subject to AS 34.45.400 -- 34.45.850 and
19 AS 09.50.075 -- 09.50.165.

20 * Sec. 8. AS 34.45.030 is amended to read:

21 Sec. 34.45.030. SALE. If [THE] property held by a person de-
22 scribed in AS 34.45.010 is not claimed and taken away within one year
23 after the time it is received, the person having possession of the pro-
24 perty may sell the property in the manner provided in AS 34.45.010 --
25 34.45.080. However, any property described in AS 34.45.110 -- 34.45.-
26 250 must be reported to the Department of Revenue according to the pro-
27 visions of AS 34.45.270 and is subject to AS 34.45.280 -- 34.45.850
28 [THIS CHAPTER].

29 * Sec. 9. AS 34.45.070(b) is amended to read:

1 (b) The district judge or magistrate shall hold the money in
2 trust for the owner of the property and shall pay it to the owner upon
3 the latter's making a written, verified claim to it, with proof of his
4 ownership, within six months after the date of the sale. If no claim
5 is made within six months after the date of the sale, he shall immedi-
6 ately pay the excess proceeds to the Department of Revenue. Property
7 which is required to be paid over to the Department of Revenue under
8 this section is subject to the provisions of AS 34.45.270(b) and 34.45.-
9 320 -- 34.45.850. [THE DEPARTMENT OF REVENUE SHALL DEPOSIT THE EXCESS
10 PROCEEDS IN THE STATE TREASURY, AND THE OWNER, WITHIN SEVEN YEARS AFTER
11 THE DEPOSIT, MAY RECOVER THE MONEY FROM THE STATE.]

12 * Sec. 10. AS 34.45.090 is repealed and reenacted to read:

13 Sec. 34.45.090. FEES OF OFFICERS. The supreme court may by rule
14 set fees that may be charged by judicial officers and peace officers
15 for performing the activities provided in AS 34.45.040 -- 34.45.080.

16 * Sec. 11. AS 34.45 is amended by adding new sections to read:

17 ARTICLE 2. PERSONAL PROPERTY PRESUMED ABANDONED; GENERAL RULES.

18 Sec. 34.45.110. WHAT PROPERTY PRESUMED ABANDONED. (a) Intan-
19 gible personal property, including any income on or increment to it and
20 deducting any lawful charges, that is held or owed in the ordinary
21 course of the holder's business and has remained unclaimed by the owner
22 for more than five years after it became payable or distributable is
23 presumed abandoned.

24 (b) "Intangible personal property" includes but is not limited to
25 drafts, credit balances, credit checks, customer overpayments, uncashed
26 vendor checks, and any other outstanding checks, and any payments owed
27 by an insurance corporation.

28 (c) Property subject to this chapter is payable or distributable
29 regardless of the owner's failure to present any instrument or document

1 showing the right to receive payment.

2 Sec. 34.45.120. CONDITIONS PRECEDENT TO PRESUMPTION OF ABANDON-
3 MENT. Intangible personal property not subject to AS 34.45.130 is
4 presumed abandoned and may be claimed by this state under this chapter
5 if the conditions leading to a presumption of abandonment as described
6 in AS 34.45.110 and 34.45.150 -- 34.45.250 are satisfied, and

7 (1) the last known address of the apparent owner, as shown
8 on the records of the holder, is in this state;

9 (2) an apparent owner cannot be established and at least one
10 of the following apply:

11 (A) the last known address of a person whose name
12 appears on the records of the holder as the person entitled to the
13 property is in this state; or

14 (B) the holder is domiciled in this state and has not
15 previously paid or delivered the property to another state; or

16 (C) the holder is a government or governmental subdivi-
17 sion or agency of this state and has not previously paid the
18 property to another state;

19 (3) the last known address of the apparent owner, as shown
20 on the records of the holder, is in a state that does not provide by
21 law for the escheat or presumption of abandonment and payment and
22 delivery to the state of the property or its law is not applicable to
23 the property and the holder is

24 (A) domiciled in this state; or

25 (B) a government or governmental subdivision or agency
26 of this state;

27 (4) the last known address of the apparent owner, as shown
28 on the records of the holder, is in a foreign nation and the holder is

29 (A) domiciled in this state; or

1 (B) a government or governmental subdivision or agency
2 of this state; or

3 (5) the transaction out of which the property arose took
4 place in this state, and

5 (A) the owner of the property is unknown, or the last
6 known address of the apparent owner, as shown on the records of
7 the holder, is in a state that does not provide by law for the
8 escheat of the property or the presumption of abandonment and
9 payment and delivery of the property to the state, or is in a
10 state the law of which is not applicable to the property, and

11 (B) the holder is domiciled in a state that does not
12 provide by law for the escheat of the property or the presumption
13 of abandonment and payment and delivery of the property to the
14 state, or is domiciled in a state the law of which is not appli-
15 cable to the property.

16 Sec. 34.45.130. CONDITIONS PRECEDENT TO PRESUMPTION OF ABANDON-
17 MENT OF TRAVELERS CHECKS AND MONEY ORDERS. (a) A sum payable on a
18 money order, travelers check, or similar written instrument (other than
19 a third-party bank check) on which a business association is directly
20 liable is presumed abandoned under this chapter if the appropriate
21 conditions leading to a presumption of abandonment as described in
22 AS 34.45.110 and 34.45.150 are satisfied and:

23 (1) the books and records of the business association show
24 that the money order, travelers check, or similar written instrument
25 was purchased in this state; or

26 (2) the business association has its principal place of
27 business in this state and the books and records of the business asso-
28 ciation do not show the state in which the money order, travelers
29 check, or similar written instrument was purchased; or

1 (3) the business association has its principal place of
2 business in this state; the books and records of the business associa-
3 tion show the state in which the money order, travelers check, or
4 similar written instrument was purchased; and the laws of the state of
5 purchase are not applicable to the property or do not provide for the
6 escheat of the property or the presumption of abandonment and delivery
7 of the sum payable on the instrument to the state of purchase.

8 (b) Subsection (a) of this section applies to sums payable on
9 money orders, travelers checks, and similar written instruments pre-
10 sumed abandoned after January 31, 1965, except to the extent that these
11 sums have been paid over to a state before January 1, 1974. For the
12 purposes of this subsection, "presumed abandoned" has the same meaning
13 as "deemed abandoned" as used in 12 U.S.C. 2501.

14 ARTICLE 3. CONDITIONS LEADING TO PRESUMPTION OF
15 ABANDONMENT OF PARTICULAR TYPES OF PERSONAL PROPERTY.

16 Sec. 34.45.150. DEPOSITS AND FUNDS IN BANKING AND FINANCIAL
17 ORGANIZATIONS. (a) A demand, savings, or matured time deposit with a
18 banking or financial organization, including deposits that are automa-
19 tically renewable, and any money paid or property given in payment
20 toward the purchase of shares, a mutual investment certificate, or any
21 other property held by a banking or financial organization is presumed
22 abandoned unless the owner within five years has:

23 (1) in the case of a deposit, increased or decreased the
24 amount of the deposit or presented the passbook or other similar evi-
25 dence of the deposit for the crediting of interest; or

26 (2) communicated in writing with the banking or financial
27 organization concerning the property; or

28 (3) otherwise indicated an interest in the property as shown
29 by a writing in the possession of the banking or financial organiza-

1 tion; or

2 (4) owned other property held by the banking or financial
3 organization for which (1), (2), or (3) of this subsection are appli-
4 cable, if the banking or financial organization communicates in writing
5 with regard to the property that would otherwise be presumed abandoned
6 under this subsection, to the owner at the address to which communica-
7 tions regarding the other property regularly are sent; or

8 (5) had another relationship with the banking or financial
9 organization concerning which the owner has (A) communicated in writing
10 with the banking or financial organization; or (B) otherwise indicated
11 an interest as shown by a writing in the possession of the banking or
12 financial organization, if the banking or financial organization com-
13 municates in writing with regard to the property that would otherwise
14 be abandoned under this subsection, to the owner at the address to
15 which communications regarding the other relationship regularly are
16 sent.

17 (b) For purposes of (a) of this section, abandoned property in-
18 cludes any interest or dividends on the property.

19 (c) A sum payable on a travelers check, issued by a business
20 association, that has been outstanding for more than 10 years after its
21 issuance is presumed abandoned if the owner, for more than 10 years,
22 has not communicated in writing with the business association concern-
23 ing it or otherwise indicated an interest as shown by a memorandum or
24 other record of the business association.

25 (d) A sum payable on a written instrument other than a traveler's
26 check on which a business association is directly liable, including but
27 not limited to certified checks, drafts, or money orders, that has been
28 outstanding for more than five years after it was payable, or after
29 its issuance if payable on demand, is presumed abandoned unless the

owner has, within five years, communicated in writing with the business association concerning it or otherwise indicated an interest as shown by a writing in the possession of the business association.

(e) A holder may not impose, with respect to property described in (a) of this section, any charges due to inactivity, and may not cease payment of interest, unless:

(1) there is a valid, enforceable, and written contract between the holder and the owner of the property under which the holder may impose charges or cease payment of interest, and unless those charges are reasonable;

(2) for property in excess of \$2, the holder, within three months before the initial imposition of charges or cessation of interest, gives written notice of the amount of those charges to the owner, at the last known address of the owner, that the charges will be imposed or that interest will cease, except that the notice required by this paragraph need not be given with respect to charges imposed or interest ceased before the effective date of this Act; and

(3) the holder regularly imposes charges or ceases accrual or payment of interest and does not regularly reverse or otherwise cancel charges or retroactively pay interest with respect to this type of property.

(f) A holder may not deduct from the amount of a draft, registered check, money order, certified check, travelers check, cashier's check, treasurer's check, or any similar written instrument a charge imposed by reason of the failure to present the item to be cashed unless:

(1) there is a valid, enforceable, and written contract between the holder and the owner of the property under which the holder may impose charges, and the charges are reasonable; and

1 (2) the holder regularly imposes charges of this type and
2 does not regularly reverse or otherwise cancel the charges with respect
3 to this type of property.

4 (g) If property subject to this section is an asset of an Indi-
5 vidual Retirement Account or Keogh Plan established under 26 U.S.C.
6 408(a) or 26 U.S.C. 401(a), respectively, it is not considered matured
7 or otherwise reportable if, under the terms of the plan, distribution
8 of all or part of the property would not be mandatory at the time set
9 by this section.

10 (h) Property, automatically renewable according to its terms,
11 that is subject to (a) of this section is considered matured for pur-
12 poses of this section upon the expiration of its initial term. If at
13 the time provided for delivery in AS 34.45.310, a penalty or forfeiture
14 in the payment of interest would result from the delivery of any of the
15 property, the time for delivery is extended until the time when no
16 penalty or forfeiture will result.

17 Sec. 34.45.160. UNCLAIMED FUNDS HELD BY LIFE INSURANCE CORPORA-
18 TIONS. (a) Money held or owed by a life insurance corporation under a
19 life or endowment insurance policy or annuity contract which has matured
20 or terminated is presumed abandoned if unclaimed for more than five
21 years after the money became due and payable as established from the
22 records of the corporation, except that property described in (c) of
23 this section is presumed abandoned if unclaimed for more than two
24 years.

25 (b) If a person other than the insured or annuitant is entitled
26 to the funds and no address of the person is known to the corporation
27 or if it is not certain from the records of the corporation which
28 person is entitled to the funds, it is presumed that the last known
29 address of the person entitled to the funds is the same as the last

1 known address of the insured or annuitant according to the records of
2 the corporation.

3 (c) For purposes of this chapter, a life or endowment insurance
4 policy or annuity contract not matured by actual proof of the death of
5 the insured or annuitant according to the records of the corporation is
6 matured and the proceeds due and payable if:

7 (1) the corporation is aware that the insured or annuitant
8 has died; or

9 (2) the insured has attained, or would have attained if he
10 were living, the limiting age under the mortality table on which the
11 reserve is based; and

12 (A) the policy was in force at the time the insured
13 attained, or would have attained, the limiting age; and

14 (B) neither the insured nor any other person appearing
15 to have an interest in the policy has, within the preceding five
16 years according to the records of the corporation, assigned,
17 readjusted, or paid premiums on the policy, subjected the policy
18 to loan, or corresponded in writing with the corporation concern-
19 ing the policy; or

20 (3) an automatic premium loan provision or other nonforfeiture
21 provision has been exercised by the corporation when the insured
22 at the time of exercise was age 75 or older, and neither the insured
23 nor any other person appearing to have an interest in the policy has
24 within the succeeding five years, according to the records of the
25 corporation, assigned, readjusted, paid premiums on, changed benefi-
26 ciaries under, or corresponded in writing with the corporation concern-
27 ing the policy.

28 (d) For purposes of (c)(3) of this section, the policy is con-
29 sidered matured and the cash surrender value due and payable as of the

1 day before the exercise of the automatic premium loan provision or
2 other nonforfeiture provision.

3 (e) Any money otherwise payable according to the records of the
4 corporation is due and payable although the policy or contract has not
5 been surrendered as required.

6 (f) The application of an automatic premium loan provision or of
7 other nonforfeiture provisions contained in an insurance policy will
8 not prevent a policy from being matured or terminated under (a) of this
9 section if the insured died or the insured or the beneficiaries of the
10 policy otherwise became entitled to the proceeds of the policy before
11 the depletion of the cash surrender value of a policy by the application
12 of the nonforfeiture provisions.

13 (g) If the laws of this state or the terms of the life insurance
14 policy require the corporation to give notice to the insured or owner
15 that an automatic premium loan provision or other nonforfeiture pro-
16 vision has been exercised and the notice is given to an insured or
17 owner whose last known address, according to the records of the corpor-
18 ation, is in this state and the notice is undeliverable, the corporation
19 shall make a reasonable search to ascertain the policyholder's correct
20 address and shall mail the notice to that address. If the corporation
21 becomes aware of the death of the insured, the life insurance policy is
22 considered matured as provided in (c)(1) of this section.

23 (h) When the corporation is aware of the death of the insured or
24 annuitant and the beneficiary has not contacted the insurer within 120
25 days after the date of death, the corporation shall take reasonable
26 steps to pay the proceeds to the beneficiary.

27 (i) As of six months after the effective date of this Act, every
28 change-of-beneficiary form issued by a life insurance corporation to
29 an insured or owner who is a resident of this state must request the

1 following information:

- 2 (1) name of every beneficiary, or if a class of benefi-
3 ciaries is named, the name of each current beneficiary in the class;
4 (2) address of every beneficiary; and
5 (3) relationship of every beneficiary to the insured.

6 Sec. 34.45.170. DEPOSITS AND REFUNDS HELD BY UTILITIES. The
7 following money held or owed by a utility is presumed abandoned:

8 (1) a deposit, including any interest on it, made by a
9 subscriber with a utility to secure payment for, or any sum paid in
10 advance for, utility services to be furnished, less any lawful deduc-
11 tions, that has remained unclaimed by the person appearing on the re-
12 cords of the utility to be entitled to it for more than one year after
13 the termination of the services for which the deposit or advance payment
14 was made;

15 (2) a sum which a utility has been ordered to refund and
16 which was received for utility services rendered, together with any
17 interest on it, less any lawful deductions, that has remained unclaimed
18 by the person appearing on the records of the utility to be entitled to
19 the sum one year after the date it became payable in accordance with
20 the final determination or order providing for the refund, regardless
21 of whether the final determination or order requires any person enti-
22 tled to a refund to make a claim to it.

23 Sec. 34.45:180. UNDISTRIBUTED DIVIDENDS AND DISTRIBUTION OWING BY
24 BUSINESS ASSOCIATIONS; INTANGIBLE INTEREST IN ASSOCIATION. (a) A di-
25 vidend, profit, distribution, interest, payment on principal, or other
26 sum, except for interests covered by AS 34.45.150, 34.45.160, or 34.-
27 45.170, held by a business association for or owed by it to a share-
28 holder, certificate holder, member, bondholder, or other security
29 holder, or a participating patron of a cooperative, who has not claimed

1 it, or corresponded in writing with the business association concerning
2 it, within five years after the date prescribed for payment or delivery,
3 is presumed abandoned.

4 (b) Stock certificates, notes, or intangible interests in a
5 business association, as shown by the records of the association, are
6 presumed abandoned if the interest in the business association is owned
7 by a person who, for more than five years, has neither claimed a divi-
8 dend or other sum referred to in (a) of this section nor corresponded
9 in writing regarding such a dividend or other sum or the underlying
10 intangible interest with the business association or its agent or
11 otherwise indicated an interest as shown by a writing in the possession
12 of the association or its agent. With respect to that interest, the
13 business association is the holder.

14 (c) The expiration of a five-year period following the failure of
15 the person entitled to a dividend or other sum referred to in (a) of
16 this section to claim it, does not result in a presumption of abandon-
17 ment of the underlying interest in a business association unless there
18 have been at least five dividends or other sums paid during this period,
19 none of which has been claimed. If five dividends or other sums re-
20 ferred to in (a) of this section are paid during a five-year period,
21 the period leading to a presumption of abandonment will have commenced
22 on the date payment of the first dividend or other sum which was not
23 claimed was due and payable. If five dividends or other sums are not
24 paid during the presumptive period, the period will continue to run
25 until the time that there have been five payments of dividends or other
26 sums which have not been claimed by the person entitled to them.

27 (d) Dividends or other distributions held for or owed to a person
28 at the time the stock or other security to which they attach is pre-
29 sumed abandoned are presumed abandoned as of the same time.

1 Sec. 34.45.190. PERSONAL PROPERTY OF BUSINESS ASSOCIATIONS HELD
2 IN COURSE OF DISSOLUTION. (a) Tangible personal property located in
3 this state, and intangible personal property, distributable in the
4 course of a voluntary dissolution of a business association that is
5 unclaimed by the owner within one year after the date for final distri-
6 bution, is presumed abandoned.

7 (b) In the case of the involuntary dissolution of a business
8 association, any personal property which is unclaimed one year after
9 the date of dissolution is presumed abandoned.

10 Sec. 34.45.200. PROPERTY HELD BY FIDUCIARIES. (a) Intangible
11 personal property and any income or increment on it, held in a fiduci-
12 ary capacity for the benefit of another person, is presumed abandoned
13 unless the owner, within five years after it becomes payable or distri-
14 butable, has increased or decreased the principal, accepted payment of
15 principal or income, corresponded in writing concerning the property,
16 or otherwise indicated an interest as shown by a writing in the posses-
17 sion of the fiduciary.

18 (b) For the purposes of this section, a person who holds property
19 as an agent for a business association is considered to hold the pro-
20 perty in a fiduciary capacity for that business association alone, un-
21 less the agreement between the agent and the business association
22 provides otherwise. A person who is considered to hold property in a
23 fiduciary capacity for a business association alone is the holder of
24 the property only to the extent of the interest of the business associ-
25 ation in the property, and the business association is the holder of
26 the property to the extent of the interest of any other person in the
27 property.

28 Sec. 34.45.210. PROPERTY HELD BY STATE COURTS AND PUBLIC OFFICERS
29 AND AGENCIES. Intangible personal property held for the owner by a

1 court, public corporation, public authority, or public officer of this
2 state, or a political subdivision of this state, that has remained
3 unclaimed by the owner for more than one year is presumed abandoned.

4 Sec. 34.45.220. EMPLOYEE-BENEFIT TRUST DISTRIBUTIONS. An employ-
5 ee-benefit trust distribution and any income or increment due an em-
6 ployee under a benefit plan is presumed abandoned if the owner, within
7 five years after it becomes payable or distributable, has not accepted
8 the distribution, corresponded in writing regarding the distribution,
9 or otherwise indicated an interest as shown by a writing in the posses-
10 sion of the fiduciary of the trust or custodial fund or administrator
11 of the plan under which the trust or fund is established.

12 Sec. 34.45.230. GIFT CERTIFICATES AND CREDIT MEMOS. (a) Gift
13 certificates and credit memos held or owed in the ordinary course of
14 the holder's business that have remained unclaimed by the owner for
15 more than five years after becoming payable or distributable are pre-
16 sumed abandoned.

17 (b) If a gift certificate or credit memo is redeemable for cash
18 or merchandise, its value for purposes of this chapter is the amount
19 paid by the purchaser.

20 Sec. 34.45.240. UNPAID WAGES OR OUTSTANDING PAYROLL CHECKS. Un-
21 paid wages or outstanding payroll checks held or owed in the ordinary
22 course of the holder's business that have remained unclaimed by the
23 owner for more than one year after becoming payable or distributable
24 are presumed abandoned.

25 Sec. 34.45.250. CONTENTS OF SAFE DEPOSIT BOX OR OTHER SAFEKEEPING
26 REPOSITORY. The contents of a safe deposit box or any other safekeeping
27 repository in this state, including but not limited to personal property
28 and evidences of interests in real property, held by any person in the
29 ordinary course of business, which is unclaimed by the owner for five

1 years after the date on which the lease or rental period on the box or
2 other repository expired is presumed abandoned.

3 ARTICLE 4. REPORTING AND DISPOSITION OF PERSONAL PROPERTY.

4 Sec. 34.45.270. REPORT OF ABANDONED PERSONAL PROPERTY. (a)

5 Every person holding money or other property, tangible or intangible,
6 presumed abandoned under this chapter shall report to the department
7 regarding the property, as provided in (b) -- (f) of this section.

8 (b) The report must be verified in accordance with (e) of this
9 section and must include:

10 (1) except with respect to money orders, travelers checks,
11 and similar written instruments, the name, if known, and last known
12 address, if any, of each person appearing from the records of the
13 holder to be the owner of any property of the value of \$20 or more
14 presumed abandoned under this chapter;

15 (2) in addition to the information required by (1) of this
16 subsection, in case of unclaimed funds of \$100 or more held by life
17 insurance corporations, the full name of the insured or annuitant and
18 the beneficiary and their last known addresses according to the life
19 insurance corporation's records;

20 (3) in the case of the contents of a safe deposit box or
21 other safekeeping repository or in the case of other tangible property,
22 a description of the property and the place where it is held and may be
23 inspected, and a statement of any amounts owed to the holder under
24 AS 34.45.320;

25 (4) the nature and identifying number, if any, or descrip-
26 tion of the property, and the amount appearing from the records to be
27 due; but items of value under \$20 each may be reported in the aggregate;

28 (5) the date when the property became payable, demandable,
29 or returnable, and the date of the last transaction with the owner with

1 respect to the property; and

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

4 (c) If the person holding property presumed abandoned is a suc-
5 cessor to other persons who previously held the property for the owner,
6 or the holder has changed his or her name while holding the property,
7 the holder shall file with the report all known names and addresses of
8 each holder of the property.

9 (d) The report must be filed before November 1 of each year, for
10 the preceding fiscal year ending June 30, but the report of insurance
11 corporations must be filed before May 1 of each year for the preceding
12 calendar year. The department may grant an extension for filing this
13 report upon a showing of good cause by the holder. Extensions may not
14 exceed six months in the aggregate.

15 (e) Verification, if made by a partnership, must be made by a
16 partner. If made by an unincorporated association or private corpora-
17 tion, it must be made by an officer. If made by a public corporation,
18 it must be made by its chief fiscal officer.

19 (f) The initial report filed under this chapter must include all
20 items or property that would have been presumed abandoned if this chap-
21 ter had been in effect on January 3, 1964.

22 (g) If the holder of property presumed abandoned under this
23 chapter has in its records an address of the apparent owner, and if the
24 owner's claim has not been barred by the statute of limitations, the
25 holder shall, not less than 15 nor more than 120 days before filing the
26 report required by this section, send written notice to the owner at
27 the last known address.

28 Sec. 34.45.280. REQUESTS FOR REPORTS AND EXAMINATION OF RECORDS.

29 (a) The department may require any person to file a verified report

1 stating whether or not that person is holding any unclaimed property
2 reportable or deliverable under this chapter.

3 (b) The department may at reasonable times and upon reasonable
4 notice examine the records of any person to determine if that person
5 has complied with this chapter. It is not a defense to a request for
6 examination that the person believes that he or she is not in posses-
7 sion of any property reportable or deliverable under this chapter.

8 (c) If a person is treated under AS 34.45.200 as the holder of
9 property only to the extent of the interest of the business association
10 in the property, the department may, under (b) of this section, examine
11 the records of the person if the department gives the notice required
12 by (b) of this section to both the person and the business association
13 not less than 30 days before the examination.

14 (d) If a holder fails to maintain the records required by AS 34.-
15 45.290 or if those records are not sufficient to permit the preparation
16 of a report and delivery of abandoned property, the department may
17 require the holder to report and deliver any property that may reason-
18 ably be estimated based upon any other records of the holder.

19 Sec. 34.45.290. RETENTION OF RECORDS. (a) Every holder required
20 to file a report under AS 34.45.270 shall maintain a record of any in-
21 formation the department may require by regulation, for 10 years after
22 the date the property became reportable unless the department provides
23 by regulation for a different retention period.

24 (b) A business association that sells in this state its travelers
25 checks, money orders, or other similar written instruments, other than
26 third-party bank checks on which the business association is directly
27 liable, or that provides its travelers checks, money orders, or similar
28 written instruments to others for sale in this state, shall maintain a
29 record of the instruments while they remain outstanding, indicating the

1 state and date of issue, for 10 years after the date the property
2 became reportable.

3 Sec. 34.45.300. NOTICE AND PUBLICATION OF LISTS OF ABANDONED
4 PROPERTY. (a) The department shall publish a notice entitled "Notice
5 to Persons Appearing to be Owners of Abandoned Property," which con-
6 tains:

7 (1) the names, in alphabetical order, and last known addres-
8 ses, if any, of persons listed in reports filed under AS 34.45.270;

9 (2) a statement that the amount or description of the pro-
10 perty and the name and address of the holder may be obtained by persons
11 who have an interest in the property, by addressing an inquiry to the
12 department; and

13 (3) a statement that, if proof of claim is not presented by
14 the owner to the holder and if the owner's right to receive the pro-
15 perty is not established to the holder's satisfaction before 30 days
16 after the date of final publication of the notice, the property will be
17 placed in the custody of the department, and that claims made after 30
18 days after the date of final publication must be directed to the de-
19 partment.

20 (b) The notice required by (a) of this section must be published
21 not later than the March 1 immediately following receipt of the report
22 required by AS 34.45.270, except that, in the case of insurance cor-
23 porations, it must be published not later than the September 1 im-
24 mediately following receipt of the report. The notice must be pub-
25 lished at least once a week for two consecutive weeks in a newspaper of
26 general circulation in each area of the state which is shown as the
27 last known address of a person named in the notice. If no known ad-
28 dress is listed in the notice, or if the address is outside the state,
29 the notice must be published at least once a week for two consecutive

1 weeks in a newspaper of general circulation in the area of the state in
2 which the holder's principal place of business is located.

3 (c) The department is not required to publish in the notice any
4 items worth less than \$25 unless the commissioner finds that publica-
5 tion is in the public interest.

6 (d) Not later than March 1, or, in the case of insurance cor-
7 porations, September 1, immediately following receipt of any reports
8 filed under AS 34.45.270, the department shall mail a notice to every
9 person having an address listed in the notice who appears to be en-
10 titled to property of the value of \$25 or more which is presumed aban-
11 doned under this chapter, and to every beneficiary of an insurance
12 policy for whom the department has an address.

13 (e) The mailed notice must state:

14 (1) that property is being held to which the addressee
15 appears entitled;

16 (2) the name and address of the person holding the property
17 and any necessary information regarding the changes of name and address
18 of the holder; and

19 (3) that if satisfactory proof of entitlement is not pre-
20 sented by the owner to the holder by the date specified in the pub-
21 lished notice, the property will be placed in the custody of the depart-
22 ment and all further claims must be directed to the department.

23 (f) This section does not apply to sums payable on travelers
24 checks, money orders, and similar written instruments that are presumed
25 abandoned under AS 34.45.130.

26 Sec. 34.45.310. PAYMENT OR DELIVERY OF ABANDONED PROPERTY. (a)
27 Except as otherwise provided in (b) and (c) of this section, every
28 person who has filed a report under AS 34.45.270 shall, within six
29 months after the final date for filing reports as required by AS 34.-

1 45.270, pay or deliver to the department all abandoned property speci-
2 fied in the report.

3 (b) If the owner establishes to the satisfaction of the holder
4 the right to receive abandoned property before the property has been
5 delivered to the department, or if it appears that for some other
6 reason the presumption of abandonment is erroneous, the holder need not
7 pay or deliver the property, which will no longer be presumed abandoned,
8 to the department. Instead, the holder shall file a verified written
9 statement of the fact of the owner's claim or an explanation of the
10 error in the presumption of abandonment.

11 (c) In the case of sums payable on travelers checks, money orders,
12 and similar written instruments, presumed abandoned under AS 34.45.130
13 or any other property reported under AS 34.45.270 for which the holder
14 has not reported the name of the apparent owner, the property must be
15 paid or delivered to the department at the time of filing the report.

16 (d) The holder of any interest under AS 34.45.180(b) shall de-
17 liver a duplicate certificate to the department. Upon delivery of the
18 duplicate certificate the holder or any transfer agent, registrar, or
19 other person acting for or on behalf of a holder in executing or deli-
20 vering the duplicate certificate is relieved from all liability in
21 accordance with AS 34.45.330 to every person, including a person ac-
22 quiring the original certificate or the duplicate of the certificate
23 issued to the department, for any losses or damages resulting to the
24 person by the issuance and delivery of the duplicate certificate to the
25 department.

26 Sec. 34.45.320. CUSTODY BY STATE; RIGHTS OF HOLDER. (a) On the
27 payment or delivery of abandoned property to the department, the de-
28 partment shall assume custody and is responsible for the safekeeping of
29 the property. Property removed from a safe deposit box or other safe-

1 keeping repository may be received by the department subject to any
2 valid lien or contract providing for the holder to be reimbursed for
3 unpaid rent or storage charges and the actual cost of the opening of
4 the repository. Rent and charges must be paid out of the proceeds
5 remaining after the department has deducted the selling cost.

6 (b) A holder who has paid money to the department under this
7 chapter may make payment to a person appearing to the holder to be
8 entitled to payment. The department shall reimburse the holder for the
9 payment without deduction of any fee or other charges if the holder
10 files proof of payment and proof that the payee was entitled to it. If
11 reimbursement is sought for a payment made on a negotiable instrument,
12 including a travelers check or money order, the holder must be reim-
13 bursed under this subsection upon filing proof that payment was made to
14 a person who presented the instrument and appeared to the holder to be
15 entitled to payment.

16 (c) The holder must be reimbursed under this section even for
17 payment made to a person whose claim against him was barred because of
18 the expiration of any period of time described in AS 34.45.470.

19 (d) A holder who has delivered property, including a certificate
20 of an interest in a business association, to the department under this
21 chapter may reclaim the property if it is still in the possession of
22 the department, without payment of any fee or other charge, upon filing
23 proof that the owner has claimed the property from the holder. The
24 department may accept an affidavit of the holder stating the facts that
25 entitle the holder to reimbursement under this subsection.

26 Sec. 34.45.330. NO LIABILITY OF HOLDER ON CLAIMS AFTER DELIVERY.
27 A holder who has, in good faith, paid or delivered property to the
28 department under this chapter is not liable to anyone for that payment
29 or delivery.

1 Sec. 34.45.340. CREDITING OF DIVIDENDS, INTEREST OR INCREMENTS TO
2 OWNER'S ACCOUNT. When property other than money is paid or delivered
3 to the department under this chapter, any dividends, interest, or other
4 increments realized or accruing on the property at or before liquida-
5 tion or its conversion into money, must upon receipt be credited to the
6 owner's account by the department.

7 ARTICLE 5. REAL PROPERTY.

8 Sec. 34.45.360. REAL PROPERTY ABANDONED FOR MORE THAN FIVE YEARS.
9 When the department has reason to believe that real property has been
10 abandoned by the owner for more than five years, including property of
11 a business association, the property is presumed abandoned and passes
12 into the custody of the state. The department shall administer real
13 property in the state's custody.

14 Sec. 34.45.370. JUDICIAL ACTION NECESSARY. When real property
15 which is unclaimed is reported to the department or the department has
16 reason to believe that property has been abandoned under AS 34.45.360,
17 the department shall bring an action in superior court to establish
18 whether the property may escheat to the state. Real property does not
19 escheat to the state until five years after the date of the escheat
20 judgment, and the department must hold the property for that five-year
21 period. Property covered by this section is subject to AS 34.45.400 --
22 34.45.850 and 09.50.075 -- 09.50.165.

23 Sec. 34.45.380. CLAIM TO REAL PROPERTY IN STATE'S CUSTODY. (a)
24 A person having a claim to real property in the custody of the depart-
25 ment may file with the department a claim to the property before the
26 department files an action under AS 34.45.370. A claimant who makes a
27 claim to real property to the department must submit written evidence
28 of ownership to the department.

29 (b) If a claimant submits satisfactory proof of ownership of real

1 property to the department before the department has filed an action
2 under AS 34.45.370, the department shall take any action and execute
3 any document necessary to return the property to the owner.

4 (c) A claim made to real property after a judicial determination
5 of escheat is subject to the provisions of AS 09.50.110 -- 09.50.165.

6 ARTICLE 6. ADMINISTRATION OF ABANDONED REAL AND PERSONAL PROPERTY.

7 Sec. 34.45.400. PUBLIC SALE OF ABANDONED REAL AND PERSONAL PRO-
8 PERTY. (a) Except as provided in (b) of this section, abandoned
9 property delivered to the department and real property escheated to the
10 department may be sold to the highest bidder at public sale in whatever
11 city in the state, in the judgment of the department, affords the most
12 favorable market for the property. The department may decline the
13 highest bid and reoffer the property for sale if it considers the price
14 bid insufficient. The department need not offer any property for sale
15 if, in its opinion, the probable cost of sale exceeds the value of the
16 property. A sale must be preceded by at least one publication of
17 notice of sale, at least three weeks before the sale, in a newspaper of
18 general circulation in the area where the property is to be sold.

19 (b) Securities listed on an established stock exchange must be
20 sold at the prevailing prices on the exchange. Other securities may be
21 sold over the counter at prevailing prices or by any other method the
22 department determines to be advisable. Unless the department considers
23 it to be in the best interest of the state to do otherwise, all securi-
24 ties, other than those presumed abandoned under AS 34.45.180(b), de-
25 livered to the department must be held for no less than one year before
26 the securities are sold. Unless the department considers it to be in
27 the best interest of the state to do otherwise, all securities, pre-
28 sumed abandoned under AS 34.45.180(b), delivered to the department must
29 be held for no less than three years before the securities may be sold.

1 (c) The purchaser at any sale conducted by the department under
2 this chapter receives title to the property purchased. The department
3 shall execute all documents necessary to complete the transfer of
4 title. A purchaser who acquires property from the department under
5 this section is not liable to anyone on the basis of that acquisition.

6 Sec. 34.45.410. DEPOSIT OF FUNDS. (a) Property received under
7 this chapter, including the proceeds from the sale of abandoned pro-
8 perty under AS 34.45.400, must be deposited by the department in the
9 general fund of the state, except that the department shall retain in a
10 separate trust fund an amount not less than \$100,000 from which it
11 shall make prompt payment of claims allowed. Before making the deposit,
12 the department shall record the name and last known address of each
13 person appearing from the holders' reports to be entitled to the aban-
14 doned property; the value of the property; for each policy or contract
15 listed in the report of an insurance corporation, its number, the name
16 of the corporation, and the name and last known address of each insured
17 person, annuitant, and beneficiary. The record must be kept available
18 for public inspection at all reasonable business hours.

19 (b) Before making a deposit to the general fund, the department
20 may deduct: (1) costs in connection with the sale of abandoned pro-
21 perty, (2) costs of mailing and publication in connection with any
22 abandoned property, and (3) costs incurred in examining records of
23 holders of abandoned property and collecting the property from the
24 holders.

25 Sec. 34.45.420. CLAIM TO ABANDONED PERSONAL PROPERTY. (a)
26 Except as provided in (b) of this section, a person, other than another
27 state, claiming an interest in personal property paid or delivered to
28 the department under this chapter may file with the department a claim
29 to the property, or, if it has been sold, to the proceeds from its

1 sale.

2 (b) If the department sells any securities delivered under AS 34.-
3 45.180(b) before the expiration of the three-year period specified in
4 AS 34.45.400(b), a person making a claim to the securities before the
5 end of the three-year period is entitled either to the proceeds re-
6 ceived on the sale of the securities or the market value of the securi-
7 ties at the time the claim is made, whichever amount is greater. A
8 person making a claim under this subsection after the expiration of the
9 three-year period is entitled only to the proceeds received from the
10 sale unless the claimant establishes that (1) he or she was unaware of
11 any right to the property or was unaware that the property was presumed
12 abandoned; and (2) the failure to make a claim earlier was not due to
13 neglect. A claimant who meets the requirements of (1) and (2) of this
14 subsection may claim the value of the property at the time the claim to
15 it is made. The department may, in making payment under this subsec-
16 tion, deduct any costs allowed under AS 34.45.410(b).

17 (c) A holder, transfer agent, registrar, or other person acting
18 for or on behalf of a holder, is not liable to any person for any
19 appreciation in the value of securities occurring after the date of
20 delivery by the holder to the state.

21 (d) A claim must be on a form prescribed by the department and
22 must be verified by the claimant.

23 (e) The department shall consider each claim as soon as possible
24 after it is filed. The department shall give written notice to the
25 claimant if the claim is denied in whole or in part. The notice may
26 be given by mailing it to the address, if any, stated in the claim as
27 the address to which notices are to be sent. If the claim does not
28 specifically state an address to which notices are to be sent, the
29 notice may be mailed to the address, if any, of the claimant as stated

1 in the claim. No notice of denial need be given if the claim fails to
2 state either an address to which notices are to be sent or the address
3 of the claimant.

4 (f) Except as provided in (b) of this section, if a claim is
5 decided in favor of the claimant, the department shall pay to the
6 claimant only that amount which the department actually received,
7 including any dividends or other amounts received by the department in
8 connection with the property. However, if the property claimed was
9 interest-bearing to the owner on the date of surrender by the holder
10 then the department shall pay interest at a rate not to exceed eight
11 percent a year. Interest begins to accumulate on the date the property
12 is delivered to the department and ceases on the earlier of the expira-
13 tion of (1) 14 years following delivery; (2) if a security, the date
14 the security is sold by the department; or (3) the date on which pay-
15 ment is made to the owner. No interest on interest-bearing property is
16 payable for any period before the effective date of this Act.

17 (g) A holder who pays to the owner the value of property that has
18 been delivered to the department and which, if claimed from the depart-
19 ment, would be subject to (e) of this section shall pay interest as
20 provided in (e) of this section. The added interest must be repaid to
21 the holder by the department.

22 Sec. 34.45.430. CLAIM OF ANOTHER STATE TO RECOVER PERSONAL PRO-
23 PERTY. (a) At any time after property has been paid or delivered to
24 the department under this chapter, another state is entitled to recover
25 the property if:

26 (1) the property was presumed abandoned in this state be-
27 cause the owner was unknown when the property was presumed abandoned
28 under this chapter, the last known address of the apparent owner was in
29 fact in the other state, and, under the laws of that state, the pro-

1 perty escheated to or was subject to a claim of abandonment by that
2 state;

3 (2) the last known address of the apparent owner of the
4 property appearing on the records of the holder is in the other state
5 and, under the laws of that state, the property has escheated to or
6 become subject to a claim of abandonment by that state;

7 (3) the records of the holder were erroneous in that they
8 did not accurately reflect the actual owner of the property and the
9 last known address of the actual owner is in the other state, and,
10 under the laws of that state, the property has escheated to or become
11 subject to a claim of abandonment by that state;

12 (4) the property was presumed abandoned in this state under
13 AS 34.45.120(5) and, under the laws of the state of domicile of the
14 holder, the property has escheated to or become subject to a claim of
15 abandonment by that state; or

16 (5) the property is the sum payable on a travelers check,
17 money order, or other similar instrument which was presumed abandoned
18 in this state under AS 34.45.130; the travelers check, money order, or
19 other similar instrument was in fact purchased in the other state; and,
20 under the laws of that state, the property escheated to or became
21 subject to a claim of abandonment by that state.

22 (b) The claim of another state to recover escheated or abandoned
23 property under this section must be presented in a form prescribed by
24 the department. The department shall consider the claim as soon as
25 possible after it is presented. The claim must be allowed if it is
26 determined that the other state is entitled to the abandoned property.

27 Sec. 34.45.440. CLAIMANT REMEDIES. (a) A person aggrieved by
28 the action of the department in rejecting a claim to real or personal
29 property may request the department to provide a formal hearing. Such

1 a request must be in writing.

2 (b) At the hearing, the department may subpoena witnesses and may
3 administer oaths and make inquiries necessary to determine the validity
4 of the claim. The person aggrieved may present arguments and evidence
5 relevant to the claim. If the department determines that a correction
6 is warranted, the department shall make the correction.

7 (c) A person aggrieved by the decision of the formal hearing
8 conducted by the department may, in accordance with the relevant Alaska
9 Rules of Court, appeal to the superior court.

10 Sec. 34.45.450. ELECTION TO TAKE PAYMENT OR DELIVERY. (a) The
11 department, after receiving reports of abandoned property, may decline
12 to receive any property reported which the department considers to have
13 a value less than the cost of giving notice and holding sale, or, if it
14 is considered desirable because of the small sum involved, may postpone
15 taking possession until a larger sum accumulates. Unless the holder of
16 the property is notified to the contrary within 120 days after filing
17 the report required under AS 34.45.270, the department will be con-
18 sidered to have elected to receive custody of the property.

19 (b) If a holder reports and delivers property otherwise subject
20 to this Act before the time that the property is presumed abandoned,
21 the department may consent in writing to accept the report and delivery
22 of the property if it appears to be in the best interest of the owner,
23 upon conditions and terms it may prescribe. The property delivered
24 under this subsection must be held by the department and is not pre-
25 sumed abandoned until it would otherwise be presumed abandoned under
26 this Act.

27 Sec. 34.45.460. DISPOSITION OF PROPERTY WITH NO APPARENT COMMER-
28 CIAL VALUE; IMMUNITY FROM LIABILITY. Property delivered to the depart-
29 ment under this chapter or escheated to the state under AS 09.50.075 --

1 09.50.165 which has no apparent commercial value must be retained by
2 the department until the department decides to destroy or otherwise
3 dispose of it. If the department decides that property delivered has
4 no apparent commercial value, the department may destroy or otherwise
5 dispose of the property at any time. No action may be brought against
6 the state or its officers or employees or against the holder for action
7 taken by the department under this section with respect to property
8 which was destroyed or otherwise disposed of.

9 Sec. 34.45.470. PERIODS OF LIMITATION. (a) The expiration of
10 any period of time specified by contract, statute, or court order,
11 during which a claim for recovery of money or property may be made or
12 during which an action may be commenced or enforced for recovery of
13 property or to obtain payment of a claim for money does not prevent the
14 money or property from being presumed abandoned, or affect any duty to
15 file a report required by this chapter or to pay or deliver abandoned
16 property to the department.

17 (b) No action may be commenced by the department to enforce any
18 provisions of this chapter relating to personal property more than 10
19 years from the date any property was reportable under this chapter.

20 ARTICLE 7. ENFORCEMENT AND PENALTIES.

21 Sec. 34.45.490. ENFORCEMENT. (a) The department may bring an
22 action in the superior or a district court, as appropriate under the
23 statutes stating the jurisdiction of each, to enforce this chapter.

24 (b) In an action brought under this chapter, the department may,
25 if not a party, intervene as a matter of right.

26 (c) Nothing in this section restricts any right which a person or
27 class of persons may have under statute or common law to seek enforce-
28 ment of provisions of this chapter or to seek any other relief.

29 Sec. 34.45.500. RECIPROCAL ENFORCEMENT ACTIONS AND AGREEMENTS

1 WITH OTHER STATES. (a) At the request of another state, the attorney
2 general of this state may bring an action in the name of the adminis-
3 trator of the other state, in the superior or a district court, as
4 appropriate under the statutes stating the jurisdiction of each, to
5 enforce the unclaimed property laws of the other state against a holder
6 in this state of property subject to escheat or a claim of abandonment
7 by the other state, if the other state has agreed to pay expenses
8 incurred by the attorney general in bringing the action.

9 (b) The department may request that the attorney general of an-
10 other state or any other person bring an action in the other state in
11 the name of the commissioner. This state shall pay all expenses inclu-
12 ding attorney's fees in an action under this subsection. Expenses paid
13 under this subsection may not be deducted from the amount that is
14 subject to the claim by the owner under this chapter.

15 (c) The department may enter into an agreement to provide infor-
16 mation needed to enable another state to audit or otherwise determine
17 unclaimed property which it may be entitled to escheat or claim as
18 abandoned property. The department may by regulation require the
19 reporting of information needed to enable it to comply with agreements
20 made under this section and prescribe the form, including verification
21 of the information to be reported and the times for filing reports.

22 (d) The department may join with other states to seek enforcement
23 of this chapter against a person who is or may be holding property
24 reportable under it.

25 Sec. 34.45.510. CIVIL PENALTIES. (a) A person who fails to
26 report or pay or deliver unclaimed property as required by AS 34.45.-
27 110 -- 34.45.850 shall pay to the department interest at the rate of 18
28 percent a year on the property or the value of it, from the date the
29 report should have been made or the property should have been paid or

1 delivered.

2 (b) In addition to all other penalties, a person who willfully
3 fails to report or pay or deliver as required by AS 34.45.110 -- 34.45.-
4 850 shall pay a civil penalty of five percent of the value of the
5 property which should have been reported for each month that the pro-
6 perty was not reported, up to a maximum penalty of 25 percent of the
7 value of the unreported property, unless good cause is shown for the
8 failure to report and pay or deliver the property. In the case of an
9 examination made under AS 34.45.280(c), the penalty provided in this
10 subsection is to be imposed only against the business association.

11 (c) In addition to all other penalties, a person who as a holder
12 fails to maintain the records required under AS 34.45.110 -- 34.45.850
13 shall, in addition to reporting and paying or delivering the value of
14 the property computed on the basis of the best information available,
15 pay a penalty of 25 percent of the estimated value of the property as
16 determined by the department, unless good cause is shown for the failure
17 to maintain the required records.

18 (d) A person protesting imposition of a penalty under this sec-
19 tion may request from the department an informal conference or a formal
20 hearing as provided in AS 43.05.240. The department shall follow the
21 procedures specified in AS 43.05.240.

22 Sec. 34.45.520. CRIMINAL PENALTIES. (a) A person who knowingly
23 refuses to report or deliver abandoned property as required by AS 34.-
24 45.110 -- 34.45.850, commits theft of a degree as defined in AS 11.46.-
25 120 -- 11.46.150 and is subject to the provisions of AS 11.46.110 --
26 11.46.210, in addition to other penalties provided by this chapter.

27 (b) A person who knowingly makes or signs a report, statement, or
28 other document required under this chapter which contains or is veri-
29 fied by a written declaration that it is made under the penalties of

1 perjury, which the person does not believe to be true and correct in
2 every material matter, commits perjury and is subject to the provisions
3 of AS 11.46.200, in addition to other penalties provided in this chap-
4 ter.

5 (c) A person who knowingly assists in, or procures or counsels
6 the preparation in connection with any matter arising under this chap-
7 ter, of a report, affidavit, claim, or other document, which is fraudu-
8 lent or is false in any material matter commits the crime of falsifying
9 business records and is subject to the penalty provided in AS 11.46.-
10 630(c) whether or not the falsity or fraud is with the knowledge or
11 consent of the person required to present the report, affidavit, claim,
12 or document.

13 (d) A person who knowingly delivers or presents to the commis-
14 sioner or the department under this chapter a list, report, account,
15 statement, or other document, which the person knows to be fraudulent
16 or to be false in any material matter commits a class A misdemeanor.

17 ARTICLE 8. GENERAL PROVISIONS.

18 Sec. 34.45.800. AGREEMENT TO LOCATE REPORTED PROPERTY; VALIDITY.
19 No agreement to locate, deliver, recover, or assist in the recovery of
20 property reported under AS 34.45.270 or escheated by court order,
21 entered into within 24 months after the date payment or delivery is
22 required under AS 34.45.310 or by court order, is valid if one party to
23 the agreement misrepresents either (1) the fact that he or she already
24 has knowledge, at the time the agreement is made, of the existence or
25 probable location of the property belonging to the other party to the
26 agreement; or (2) the expense reasonably necessary to recover property
27 belonging to the other party to the agreement.

28 Sec. 34.45.810. REGULATIONS. The department shall adopt regula-
29 tions necessary to carry out the provisions of this chapter.

1 Sec. 34.45.840. UNIFORMITY OF APPLICATION AND CONSTRUCTION. This
2 chapter shall be applied and construed to effect its general purpose to
3 make uniform the law with respect to the subject of this chapter among
4 those states enacting it.

5 Sec. 34.45.850. DEFINITIONS. In AS 34.45.110 -- 34.45.850,
6 unless the context requires otherwise

7 (1) "apparent owner" means the person whose name appears on
8 the records of the holder as the person entitled to property held by
9 the holder;

10 (2) "banking organization" means a bank, trust company,
11 savings bank, industrial bank, land bank, safe deposit company, or a
12 private banker or any other organization defined by the laws of the
13 United States or of this state as a bank or banking organization;

14 (3) "business association" means a corporation (other than a
15 municipal or governmental corporation), joint stock company, business
16 trust, partnership, or any association for business purposes of two or
17 more individuals, whether or not for profit, including a banking or-
18 ganization, financial organization, insurance corporation, or utility;

19 (4) "commissioner" means the commissioner of revenue;

20 (5) "department" means the Department of Revenue;

21 (6) "domicile" means the state of incorporation in the case
22 of a corporation; the state of the principal place of business in the
23 case of a person not incorporated; and, in the case of any other per-
24 son, the state of the principal place of business in the United States,
25 or physical presence in a state with intent to reside in that state;

26 (7) "employee-benefit trust distribution" means any of the
27 following which is distributable to a participant, former participant,
28 or the beneficiary or estate or heirs of a participant or former par-
29 ticipant or beneficiary, from a trust or custodial fund established

1 under a plan to provide health and welfare, pension, vacation, sever-
2 ance, retirement benefit, death benefit, stock purchase, profit sharing,
3 employee savings, supplemental unemployment insurance benefits, or
4 similar benefits: money; insurance; a security or other intangible
5 property; and any tangible property;

6 (8) "financial organization" means a savings and loan asso-
7 ciation, building and loan association, credit union, cooperative bank,
8 or investment company;

9 (9) "good faith" means honesty in fact and some reasonable
10 ground for belief that the action is rightful or authorized;

11 (10) "holder" means any person, wherever organized or domi-
12 ciled, who is in possession of or has custody of property belonging to
13 another, or who is indebted to another on an obligation;

14 (11) "insurance corporation" means any association or cor-
15 poration transacting the business of insurance;

16 (12) "last known address" means a description of the location
17 of the apparent owner for the purpose of the delivery and receipt of
18 mail;

19 (13) "owner" means a depositor in case of a deposit, a bene-
20 ficiary in case of a trust, a creditor, claimant, payee or any person
21 having a legal or equitable interest in property subject to this chapter
22 or the person's legal representative;

23 (14) "person" means any individual, business association,
24 government or governmental subdivision or agency, municipal or govern-
25 mental corporation, public authority, estate, trust, two or more per-
26 sons having a joint or common interest, or any other legal or commer-
27 cial entity; with regard to a violation of this chapter, "person" also
28 includes an officer or employee of a corporation or a member or employee
29 of a partnership, who, as officer, employee, or member, has a duty to

1 perform the act in respect to which the violation occurs;

2 (15) "state" includes any state, district, commonwealth,
3 territory, or insular possession of the United States of America, and
4 any area subject to the legislative authority of the United States of
5 America;

6 (16) "utility" means a utility regulated under AS 42.05, in-
7 cluding an exempt utility under AS 42.05.711;

8 * Sec. 12. AS 09.50.070, 09.50.100, 09.50.120 -- 09.50.160, and AS 13.-
9 16.600(b) are repealed.

10 * Sec. 13. (a) This Act does not apply to

11 (1) real property which a court has ordered escheated to the
12 state under the provisions of former AS 09.50.080 or former AS 09.50.100, or
13 to any personal property already delivered to the state before the effective
14 date of this Act;

15 (2) property which is presumed abandoned before January 3, 1964,
16 other than property described in (b) of this section, and which is payable
17 to the department under this Act.

18 (b) This Act applies to property which

19 (1) was presumed abandoned before January 3, 1964; and

20 (2) was required by former AS 09.50.070 or AS 09.50.080 -- 09.50.-
21 160 to be reported.

22 * Sec. 14. This Act takes effect immediately in accordance with AS 01.-
23 10.070(c).