

Introduced: 2/8/85  
Referred: Judiciary and  
Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 182

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

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

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

9 \* Section 1. AS 13.11.025 is amended to read:

10 Sec. 13.11.025. NO TAKER. If there is no taker under the pro-  
11 visions of this chapter [.]

12 (1) personal property in the intestate estate passes to the  
13 state and is subject to AS 34.45.280(b) -- 34.45.780; if notice to  
14 heirs, substantially equivalent to that required by AS 34.45.310, has  
15 been given by the personal representative or other person, AS 34.45.-  
16 310 does not apply;

17 (2) real property in the intestate estate passes to the  
18 state and is subject to AS 38.05.600 -- 38.05.660.

19 \* Sec. 2. AS 13.16 is amended by adding a new section to read:

20 Sec. 13.16.381. DUTY OF PERSONAL REPRESENTATIVE; NO TAKER OR  
21 MISSING TAKER OF ESTATE. When there is no taker of an intestate  
22 estate, or if an heir, devisee, or claimant cannot be found and the  
23 missing person has no conservator, the personal representative shall  
24 report to the state as follows:

25 (1) personal property must be delivered to the Department  
26 of Revenue; and

27 (2) real property must be reported to the Department of  
28 Natural Resources.

29 \* Sec. 3. AS 13.16.800(a) is amended to read:

1 (a) If an heir, devisee, or claimant cannot be found, the per-  
2 sonal representative shall distribute the share of personal property  
3 of the missing person to the person's [HIS] conservator, if any,  
4 otherwise to the Department [COMMISSIONER] of Revenue to be deposited  
5 in the general fund as required by AS 34.45.370. Property distribut-  
6 able to the Department of Revenue under this subsection is subject to  
7 AS 34.45.280(b) -- 34.45.780. If notice to the heir, devisee, or  
8 claimant, substantially equivalent to that required by AS 34.45.310,  
9 has been given by the personal representative or other person, AS 34-  
10 .45.310 does not apply [TO BECOME A PART OF THE STATE ESCHEAT FUND].

11 \* Sec. 4. AS 13.16.600(b) is repealed and reenacted to read:

12 (b) Real property distributable to a missing heir, devisee, or  
13 claimant must be distributed first to that person's conservator, if  
14 any, and otherwise passes to the state. Real property reported under  
15 this section is subject to AS 38.05.600 -- 38.05.660.

16 \* Sec. 5. AS 34.45.030 is amended to read:

17 ARTICLE 1. UNCLAIMED PROPERTY IN POSSESSION OF CONSIGNEE OR BAILEE.

18 Sec. 34.45.030. SALE. If [THE] property held by a person de-  
19 scribed in AS 34.45.010 is not claimed and taken away within one year  
20 after the time it is received, the person having possession of the  
21 property may sell the property in the manner provided in AS 34.45.-  
22 010 -- 34.45.080, except that any property described in AS 34.45.-  
23 110 -- 34.45.260 must be reported to the Department of Revenue accord-  
24 ing to the provisions of AS 34.45.280 and is subject to AS 34.45.-  
25 290 -- 34.45.780 [THIS CHAPTER].

26 \* Sec. 6. AS 34.45.070(b) is amended to read:

27 (b) The district judge or magistrate shall hold the money in  
28 trust for the owner of the property and shall pay it to the owner upon  
29 the latter's making a written, verified claim to it, with proof of

1 [HIS] ownership, within six months after the date of the sale. If no  
2 claim is made within six months after the date of the sale, the dis-  
3 trict judge or magistrate [HE] shall immediately pay the excess pro-  
4 ceeds to the Department of Revenue. Money from the sale of property,  
5 which is required to be paid over to the Department of Revenue under  
6 this section, is subject to the provisions of AS 34.45.280(b) and  
7 34.45.330 -- 34.45.780. [THE DEPARTMENT OF REVENUE SHALL DEPOSIT THE  
8 EXCESS PROCEEDS IN THE STATE TREASURY, AND THE OWNER, WITHIN SEVEN  
9 YEARS AFTER THE DEPOSIT, MAY RECOVER THE MONEY FROM THE STATE.]

10 \* Sec. 7. AS 34.45.090 is repealed and reenacted to read:

11 Sec. 34.45.090. FEES OF OFFICERS. The supreme court may by rule  
12 set fees that may be charged by judicial officers and peace officers  
13 for performance of duties under AS 34.45.040 -- 34.45.080.

14 \* Sec. 8. AS 34.45 is amended by adding new sections to read:

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

16 Sec. 34.45.110. PROPERTY PRESUMED ABANDONED; GENERAL RULE. (a)  
17 Except as otherwise provided in AS 34.45.120 -- 34.45.780, all intan-  
18 gible property, including any income or increment derived from it,  
19 less any lawful charges, that is held, issued, or owing in the ordi-  
20 nary course of a holder's business and has remained unclaimed by the  
21 owner for more than five years after it became payable or distribut-  
22 able is presumed abandoned.

23 (b) Property is payable or distributable for the purposes of  
24 AS 34.45.120 -- 34.45.780 notwithstanding the owner's failure to make  
25 demand or to present any instrument or document required to receive  
26 payment.

27 Sec. 34.45.120. GENERAL RULES FOR TAKING CUSTODY OF UNCLAIMED  
28 INTANGIBLE PROPERTY. Unless otherwise provided in this chapter or by  
29 other statute of this state, intangible property is subject to the

1 custody of this state as unclaimed property if the conditions raising  
2 a presumption of abandonment under AS 34.45.110 and 34.45.150 --  
3 34.45.260 are satisfied and

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

6 (2) the records of the holder do not reflect the identity  
7 of the person entitled to the property and it is established that the  
8 last known address of the person entitled to the property is in the  
9 state;

10 (3) the records of the holder do not reflect the last known  
11 address of the apparent owner, and it is established that

12 (A) the last known address of the person entitled to  
13 the property is in this state, or

14 (B) the holder is a domiciliary or a government or  
15 governmental subdivision or agency of this state and has not  
16 previously paid or delivered the property to the state of the  
17 last known address of the apparent owner or other person entitled  
18 to the property;

19 (4) the last known address of the apparent owner, as shown  
20 on the records of the holder, is in a state that either does not  
21 provide by law for the escheat or custodial taking of the property, or  
22 its escheat or unclaimed property law is not applicable to the prop-  
23 erty, and the holder is a domiciliary, government, or governmental  
24 subdivision or agency of this state;

25 (5) the last known address of the apparent owner, as shown  
26 on the records of the holder, is in a foreign nation and the holder is  
27 a domiciliary, government, or governmental subdivision or agency of  
28 this state; or

29 (6) the transaction out of which the property arose

1 occurred in this state and

2 (A) the last known address of the apparent owner or  
3 other person entitled to the property is unknown, or the last  
4 known address of the apparent owner or other person entitled to  
5 the property is in a state that either does not provide by law  
6 for the escheat or custodial taking of the property or its es-  
7 cheat or unclaimed property law is not applicable to the prop-  
8 erty, and

9 (B) the holder is a domiciliary of a state that either  
10 does not provide by law for the escheat or custodial taking of  
11 the property or its escheat or unclaimed property law is not  
12 applicable to the property.

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

15 Sec. 34.45.140. TRAVELERS CHECKS AND MONEY ORDERS. (a) Subject  
16 to (d) of this section, money payable on a travelers check that has  
17 been outstanding for more than 15 years after its issuance is presumed  
18 abandoned unless the owner, within the preceding 15 years, has commu-  
19 nicated in writing with the issuer concerning it or otherwise indicat-  
20 ed an interest as evidenced by a memorandum or other record, on file,  
21 prepared by an employee of the issuer.

22 (b) Subject to (d) of this section, money payable on a money  
23 order or similar written instrument, other than a third-party bank  
24 check, that has been outstanding for more than seven years after its  
25 issuance is presumed abandoned unless the owner, within the preceding  
26 seven years, has communicated in writing with the issuer concerning it  
27 or otherwise indicated an interest as evidenced by a memorandum or  
28 other record, on file, prepared by an employee of the issuer.

29 (c) A holder may not deduct from the amount of a travelers check

1 or money order any charge imposed for failure to present the instru-  
2 ment for payment unless there is a valid and enforceable written  
3 contract between the issuer and the owner of the instrument under  
4 which the issuer may impose a charge, and the issuer regularly imposes  
5 such charges and does not regularly reverse or otherwise cancel them.

6 (d) Money payable on a travelers check, money order, or similar  
7 written instrument, other than a third-party bank check, described in  
8 (a) and (b) of this section is not subject to the custody of this  
9 state as unclaimed property unless

10 (1) the records of the issuer show that the travelers  
11 check, money order, or similar written instrument was purchased in  
12 this state; or

13 (2) the issuer has its principal place of business in this  
14 state and the records of the issuer do not show the state in which the  
15 travelers check, money order, or similar written instrument was pur-  
16 chased; or

17 (3) the issuer has its principal place of business in this  
18 state, the records of the issuer show the state in which the travelers  
19 check, money order, or similar written instrument was purchased and  
20 the state of purchase either does not provide by law for the escheat  
21 or custodial taking of the property or its escheat or unclaimed prop-  
22 erty law is not applicable to the property.

23 (e) Notwithstanding any other provision of AS 34.45.110 --  
24 34.45.780, (d) of this section applies to money payable on travelers  
25 checks, money orders, and similar written instruments presumed aban-  
26 doned after January 31, 1965, except to the extent that those sums  
27 have been paid over to a state before January 1, 1974.

28 Sec. 34.45.150. CHECKS, DRAFTS, AND SIMILAR INSTRUMENTS ISSUED  
29 OR CERTIFIED BY BANKING AND FINANCIAL ORGANIZATIONS. (a) Other than

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

11 (b) A holder may not deduct from the amount of an instrument  
12 subject to this section a charge imposed for failure to present the  
13 instrument for payment unless there is a valid and enforceable written  
14 contract between the holder and the owner of the instrument under  
15 which the holder may impose a charge, and the holder regularly imposes  
16 such charges and does not regularly reverse or otherwise cancel them.

17 Sec. 34.45.160. BANK DEPOSITS AND MONEY IN FINANCIAL ORGANIZA-  
18 TIONS. (a) A demand, savings, or matured time deposit with a banking  
19 or financial organization, including a deposit that is automatically  
20 renewable, and money paid toward the purchase of a share, a mutual  
21 investment certificate, or any other intangible property interest in a  
22 banking or financial organization is presumed abandoned unless the  
23 owner, within the preceding five years has,

24 (1) in the case of a deposit; increased or decreased its  
25 amount or presented the passbook or other similar evidence of the  
26 deposit for the crediting of interest;

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

29 (3) otherwise indicated an interest in the property as

1 evidenced by a memorandum or other record, on file, prepared by an em-  
2 ployee of the banking or financial organization;

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

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

11 (A) communicated in writing with the banking or finan-  
12 cial organization or otherwise indicated an interest as evidenced  
13 by a memorandum or other record, on file, prepared by an employee  
14 of the banking or financial organization; and

15 (B) the banking or financial organization communicates  
16 in writing with the owner with regard to the property that would  
17 otherwise be abandoned under this subsection at the address to  
18 which communications regarding the other relationship regularly  
19 are sent.

20 (b) For purposes of (a) of this section, "property" includes  
21 interest and dividends.

22 (c) A holder may not impose, with respect to property described  
23 in (a) of this section, a charge due to dormancy or inactivity, or  
24 cease payment of interest unless

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

29 (2) for property in excess of \$10, the holder, no more than

1 three months before the initial imposition of those charges or cessa-  
2 tion of interest, has given to the owner written notice of the amount  
3 of those charges at the last known address of the owner, stating that  
4 those charges will be imposed or that interest will cease; however,  
5 the notice required by this paragraph need not be given with respect  
6 to charges imposed or interest ceased before the effective date of  
7 this Act; and

8 (3) the holder regularly imposes such charges or ceases  
9 payment of interest, and does not regularly reverse or otherwise  
10 cancel the charges or retroactively credit interest with respect to  
11 the property.

12 (d) Property described in (a) of this section which is automat-  
13 ically renewable is matured for purposes of (a) of this section upon  
14 the expiration of its initial time period. However, in the case of a  
15 renewal to which the owner consents at or about the time of renewal by  
16 communicating in writing with the banking or financial organization or  
17 by otherwise indicating consent as evidenced by a memorandum or other  
18 record on file, prepared by an employee of the organization, the prop-  
19 erty is matured upon the expiration of the last time period for which  
20 consent was given. If, at the time provided for delivery in AS 34.-  
21 45.320, a penalty or forfeiture in the payment of interest would  
22 result from the delivery of the property, the time for delivery is  
23 extended until the time when no penalty or forfeiture would result.

24 Sec. 34.45.170. MONEY OWING UNDER LIFE INSURANCE POLICIES. (a)  
25 Money held or owing under a life or endowment insurance policy or  
26 annuity contract that has matured or terminated is presumed abandoned  
27 if unclaimed for more than five years after the money became due and  
28 payable as established from the records of the insurance company  
29 holding or owing the money. However, property described in (c)(2) of

1 this section is presumed abandoned if unclaimed for more than two  
2 years.

3 (b) If a person other than the insured or annuitant is entitled  
4 to the money and the address of that person is not known to the compa-  
5 ny, or it is not definite and certain from the records of the company  
6 who is entitled to the money, it is presumed that the last known  
7 address of the person entitled to the money is the same as the last  
8 known address of the insured or annuitant according to the records of  
9 the company.

10 (c) For purposes of this section, a life or endowment insurance  
11 policy or annuity contract not matured by actual proof of the death of  
12 the insured or annuitant according to the records of the company is  
13 matured and the proceeds are due and payable if

14 (1) the company knows that the insured or annuitant has  
15 died; or

16 (2) the insured has attained, or would have attained if  
17 still living, the limiting age under the mortality table on which the  
18 reserve is based and

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

21 (B) neither the insured nor any other person appearing  
22 to have an interest in the policy has, within the preceding two  
23 years, according to the records of the company, assigned, read-  
24 justed, or paid premiums on the policy, subjected the policy to a  
25 loan, corresponded in writing with the company concerning the  
26 policy, or otherwise indicated an interest as evidenced by a  
27 memorandum or other record, on file, prepared by an employee of  
28 the company.

29 (d) For purposes of this section, the application of an

1 automatic premium loan provision or other nonforfeiture provision  
2 contained in an insurance policy does not prevent a policy from being  
3 matured or terminated under (a) of this section if the insured has  
4 died or the insured or the beneficiary of the policy otherwise has  
5 become entitled to the proceeds of the policy before the depletion of  
6 the cash surrender value of a policy by the application of those  
7 nonforfeiture provisions.

8 (e) If the laws of this state or the terms of the life insurance  
9 policy require the company to give notice to the insured or the owner  
10 that an automatic premium loan provision or other nonforfeiture pro-  
11 vision has been exercised and the notice is to be given to an insured  
12 or owner whose last known address, according to the records of the  
13 company, is in this state but is undeliverable, the company shall make  
14 a reasonable search to ascertain the policyholder's correct address to  
15 which the notice must be mailed.

16 (f) Notwithstanding any other provision of law, if the company  
17 learns of the death of the insured or annuitant and the beneficiary  
18 has not communicated with the insurer within four months after the  
19 death, the company shall take reasonable steps to pay the proceeds to  
20 the beneficiary.

21 (g) Commencing two years after the effective date of this Act,  
22 every change-of-beneficiary form issued by an insurance company under  
23 a life or endowment insurance policy or annuity contract to an insured  
24 or owner who is a resident of this state must request the following  
25 information:

26 (1) the name of each beneficiary, or if a class of benefi-  
27 ciaries is named, the name of each current beneficiary in the class;

28 (2) the address of each beneficiary; and

29 (3) the relationship of each beneficiary to the insured.

1           Sec. 34.45.180. DEPOSITS HELD BY UTILITIES. A deposit, includ-  
2 ing any interest on it, made by a subscriber with a utility to secure  
3 payment, or money paid in advance for utility services to be fur-  
4 nished, less any lawful deductions, that remains unclaimed by the  
5 owner for more than one year after the termination of the services for  
6 which the deposit or advance payment was made is presumed abandoned.

7           Sec. 34.45.190. REFUNDS HELD BY BUSINESS ASSOCIATIONS. Except  
8 to the extent otherwise ordered by a court or administrative agency,  
9 money that a business association has been ordered by the court or  
10 administrative agency to refund is presumed abandoned if it remains  
11 unclaimed by the owner for more than one year after it became payable  
12 in accordance with the final determination or order providing for the  
13 refund, regardless of whether the final determination or order re-  
14 quires the owner to make a claim for it.

15           Sec. 34.45.200. STOCK AND OTHER INTANGIBLE INTERESTS IN BUSINESS  
16 ASSOCIATIONS. (a) Except as otherwise provided in AS 34.35.210 and  
17 (b) and (e) of this section, stock or other intangible ownership  
18 interest in a business association, the existence of which is evi-  
19 denced by records available to the association, is presumed abandoned  
20 and, with respect to the ownership interest, the association is the  
21 holder, if a dividend, distribution, or other money payable as a  
22 result of the interest has remained unclaimed by the owner for seven  
23 years after the money became payable, and the owner, within that seven  
24 years, has not

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

28                   (2) otherwise communicated with the association regarding  
29 the ownership interest or a dividend, distribution, or other money

1 payable as a result of the interest, as evidenced by a memorandum or  
2 other record, on file with the association, prepared by an employee of  
3 the association.

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

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

23 (d) At the time an ownership interest is presumed abandoned  
24 under this section, all dividends, distributions, or other money then  
25 held for or owing to the owner as a result of the ownership interest,  
26 and not previously presumed abandoned, are presumed abandoned.

27 (e) This section does not apply to a stock or other intangible  
28 ownership interest enrolled in a plan that provides for the automatic  
29 reinvestment of dividends, distributions, or other money payable as a

1 result of the interest, unless the records available to the adminis-  
2 trator of the plan show, with respect to another intangible ownership  
3 interest not enrolled in the reinvestment plan, that the owner has not  
4 within seven years communicated in a manner described in (a) of this  
5 section.

6 Sec. 34.45.210. PROPERTY OF BUSINESS ASSOCIATIONS HELD IN COURSE  
7 OF DISSOLUTION. Except for intangible property distributable under  
8 AS 06.05.465, intangible property distributable in the course of a  
9 dissolution of a business association which remains unclaimed by the  
10 owner for more than one year after the date specified for final dis-  
11 tribution is presumed abandoned.

12 Sec. 34.45.220. PROPERTY HELD BY AGENTS AND FIDUCIARIES. (a)  
13 Intangible property and any income or increment derived from it held  
14 in a fiduciary capacity for the benefit of another person is presumed  
15 abandoned unless the owner, within five years after it has become  
16 payable or distributable, has increased or decreased the principal,  
17 accepted payment of principal or income, communicated concerning the  
18 property, or otherwise indicated an interest as evidenced by a memo-  
19 randum or other record, on file, prepared by the fiduciary.

20 (b) Money in an individual retirement account or a retirement  
21 plan for self-employed individuals or similar account or plan estab-  
22 lished under the internal revenue laws of the United States is not  
23 payable or distributable within the meaning of (a) of this section  
24 unless, under the terms of the account or plan, distribution of all or  
25 part of the funds would then be mandatory.

26 (c) For the purpose of this section, a person who holds property  
27 as an agent for a business association is considered as holding the  
28 property in a fiduciary capacity for that business association alone,  
29 unless the agreement between that person and the business association

1 provides otherwise.

2 (d) For the purposes of this chapter, a person who is considered  
3 as holding property in a fiduciary capacity for a business association  
4 alone is the holder of the property only so far as the interest of the  
5 business association in the property is concerned, and the business  
6 association is the holder of the property so far as the interest of  
7 any other person in the property is concerned.

8 Sec. 34.45.230. PROPERTY HELD BY COURTS AND PUBLIC AGENCIES.  
9 Intangible property held for the owner by a court, state, or other  
10 government, governmental subdivision or agency, public corporation, or  
11 public authority, which remains unclaimed by the owner for more than  
12 one year after becoming payable or distributable, is presumed aban-  
13 doned.

14 Sec. 34.45.240. GIFT CERTIFICATES AND CREDIT MEMOS. (a) A gift  
15 certificate or a credit memo, issued in the ordinary course of an  
16 issuer's business, which remains unclaimed by the owner for more than  
17 five years after becoming payable or distributable is presumed aban-  
18 doned.

19 (b) In the case of a gift certificate, the amount presumed  
20 abandoned is the price paid by the purchaser for the gift certificate.  
21 In the case of a credit memo, the amount presumed abandoned is the  
22 amount credited to the recipient of the memo.

23 Sec. 34.45.250. WAGES. Unpaid wages, including wages represent-  
24 ed by unrepresented payroll checks, owing in the ordinary course of the  
25 holder's business and which remain unclaimed by the owner for more  
26 than one year after becoming payable are presumed abandoned.

27 Sec. 34.45.260. CONTENTS OF SAFE DEPOSIT BOX OR OTHER SAFEKEEP-  
28 ING REPOSITORY. All tangible and intangible personal property held in  
29 a safe deposit box or any other safekeeping repository in this state

1 in the ordinary course of the holder's business, and proceeds result-  
2 ing from the sale of the property permitted by other law, which remain  
3 unclaimed by the owner for more than five years after the lease or  
4 rental period on the box or other repository has expired, are presumed  
5 abandoned.

6 ARTICLE 4. REPORTING AND DISPOSITION OF PERSONAL PROPERTY.

7 Sec. 34.45.280. REPORT OF ABANDONED PERSONAL PROPERTY. (a) A  
8 person holding personal property, tangible or intangible, presumed  
9 abandoned and subject to custody as unclaimed property under AS 34.-  
10 45.110 -- 34.45.430, shall report to the department concerning the  
11 property as provided in this section.

12 (b) The report must be verified and must include

13 (1) except with respect to travelers checks and money  
14 orders, the name, if known, and last known address, if any, of each  
15 person appearing from the records of the holder to be the owner of  
16 property, the value of which is \$25 or more, presumed abandoned under  
17 AS 34.45.110 -- 34.45.430 and other statutes specifically made subject  
18 to this reporting requirement;

19 (2) in the case of unclaimed money amounting to \$25 or  
20 more, held or owing under a life or endowment insurance policy or  
21 annuity contract, the full name and last known address of the insured  
22 or annuitant and of the beneficiary according to the records of the  
23 insurance company holding or owing the funds;

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

28 (4) the nature and identifying number, if any, or descrip-  
29 tion of the property and the amount appearing from the records to be

1 due; items of value under \$25 each may be reported in the aggregate;

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

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

7 (c) If the holder of property presumed abandoned and subject to  
8 custody as unclaimed property is a successor to other persons who  
9 previously held the property for the apparent owner, or the holder has  
10 changed his or her name while holding the property, the holder shall  
11 file with his or her report all known names and addresses of each  
12 previous holder of the property.

13 (d) The report required under (a) of this section must be filed  
14 before November 1 of each year for unclaimed property held as of June  
15 30 of that year, but the report of a life insurance company must be  
16 filed before May 1 of each year for unclaimed property held as of  
17 December 31 of the preceding year. On written request by a person  
18 required to file a report, the commissioner may postpone the reporting  
19 date.

20 (e) Not more than 120 days before filing the report required by  
21 this section, the holder in possession of property presumed abandoned  
22 and subject to custody as unclaimed property under AS 34.45.110 --  
23 34.45.430 shall send written notice to the apparent owner at his last  
24 known address informing him that the holder is in possession of prop-  
25 erty subject to this chapter if

26 (1) the holder has in its records an address for the appar-  
27 ent owner which the holder believes to be accurate,

28 (2) the claim of the apparent owner is not barred by the  
29 statute of limitations, and

1                   (3) the property has a value of \$50 or more.

2                   Sec. 34.45.290. REQUESTS FOR REPORTS AND EXAMINATION OF RECORDS.

3                   (a) The department may require a person who has not filed a report  
4                   under AS 34.45.280 to file a verified report stating whether the  
5                   person is holding any unclaimed property reportable or deliverable  
6                   under AS 34.45.110 -- 34.45.780.

7                   (b) The department, at reasonable times and upon reasonable  
8                   notice, may examine the records of a person to determine whether the  
9                   person has complied with the provisions of this chapter. The depart-  
10                  ment may conduct the examination even if the person believes that he  
11                  or she is not in possession of any property reportable or deliverable  
12                  under this chapter.

13                  (c) If a person is treated under AS 34.45.220 as the holder of  
14                  the property only so far as the interest of the business association  
15                  in the property is concerned, the department, under (b) of this sec-  
16                  tion, may examine the records of the person if the department has  
17                  given the notice required by (b) of this section to both the person  
18                  and the business association.

19                  (d) If, after the effective date of this Act, a holder fails to  
20                  maintain the records required by AS 34.45.300 and the records of the  
21                  holder available for the periods subject to AS 34.45.110 -- AS 34.-  
22                  45.780 are insufficient to permit the preparation of a report, the  
23                  department may require the holder to report and pay the amount that is  
24                  reasonably estimated from the available records.

25                  Sec. 34.45.300. RETENTION OF RECORDS. (a) Every holder re-  
26                  quired to file a report under AS 34.45.280, shall, if it has obtained  
27                  the last known address of the owner, maintain a record of the name and  
28                  last known address of the owner for 10 years after the property be-  
29                  comes reportable, unless a shorter time period is provided in (b) of

1 this section or by regulations adopted by the department.

2 (b) A business association that sells, in this state, its trav-  
3 elers checks, money orders, or other similar written instruments,  
4 other than third-party bank checks on which the business association  
5 is directly liable, or that provides such instruments to others for  
6 sale in this state, shall maintain a record of those instruments while  
7 they remain outstanding, indicating the state and date of issue, for  
8 three years after the date the property is reportable.

9 Sec. 34.45.310. NOTICE AND PUBLICATION OF LISTS OF ABANDONED  
10 PROPERTY. (a) The department shall publish a notice not later than  
11 the March 1 following the submission of the report required by AS 34.-  
12 45.280, or in the case of property reported by life insurance com-  
13 panies, not later than the September 1 following the submission of the  
14 report. The notice must be published at least once a week for two  
15 consecutive weeks in a newspaper of general circulation in the area of  
16 this state in which the last known address of any person to be named  
17 in the notice is located. If no address is listed or the address is  
18 outside this state, the notice must be published in a newspaper of  
19 general circulation in the area in which the holder of property has  
20 its principal place of business within this state.

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

23 (1) the names, in alphabetical order, and last known ad-  
24 dress, if any, of persons listed in the reports and entitled to notice  
25 within the area as specified in (a) of this section;

26 (2) a statement that information concerning the property  
27 and the name and last known address of the holder may be obtained by  
28 addressing an inquiry to the department; and

29 (3) a statement that if proof of claim is not presented by

1 the owner to the holder, and the owner's right to receive the property  
2 is not established to the holder's satisfaction before April 20 of the  
3 year of publication, or, in the case of property reported by life  
4 insurance companies, before October 20, the property will be placed  
5 not later than May 1 of that year, or in the case of property reported  
6 by life insurance companies, not later than November 1, in the custody  
7 of the department and all further claims must be directed to the  
8 department after that placement.

9 (c) The department is not required to publish in the notice any  
10 items of less than \$50 in value unless the department considers their  
11 publication to be in the public interest.

12 (d) Not later than the March 1 following submission of the  
13 report required by AS 34.45.280, or in the case of property reported  
14 by life insurance companies, not later than the September 1 following  
15 the submission of the report, the department shall mail a notice to  
16 each person whose last known address is listed in the report and who  
17 appears to be entitled to property of the value of \$50 or more pre-  
18 sumed abandoned under this chapter, and to any beneficiary of a life  
19 or endowment insurance policy or annuity contract for whom the depart-  
20 ment has a last known address.

21 (e) The mailed notice must contain

22 (1) a statement that, according to a report filed with the  
23 department, property to which the addressee appears entitled is being  
24 held;

25 (2) the name and last known address of the person holding  
26 the property and any necessary information regarding the changes of  
27 name and last known address of the holder; and

28 (3) a statement that, if satisfactory proof of claim is not  
29 presented by the owner to the holder by the date specified in the

1 published notice, the property will be placed in the custody of the  
2 department and all further claims must be directed to the department.

3 (f) This section does not apply to money payable on travelers  
4 checks, money orders, and other written instruments presumed abandoned  
5 under AS 34.45.140.

6 Sec. 34.45.320. PAYMENT OR DELIVERY OF ABANDONED PROPERTY. (a)  
7 Except as otherwise provided in (b) and (c) of this section, a person  
8 who is required to file a report under AS 34.45.280, shall, within six  
9 months after the final date for filing the report under that section,  
10 pay or deliver to the department all abandoned property required to be  
11 reported.

12 (b) If the owner establishes the right to receive the abandoned  
13 property to the satisfaction of the holder before the property has  
14 been delivered or it appears that for some other reason the presump-  
15 tion of abandonment is erroneous, the holder need not pay or deliver  
16 the property to the department, and the property will no longer be  
17 presumed abandoned. In that case, the holder shall file with the  
18 department a verified written explanation of the proof of claim or of  
19 the error in the presumption of abandonment.

20 (c) Property reported under AS 34.45.280 for which the holder is  
21 not required to report the name of the apparent owner must be de-  
22 livered to the department at the time of filing the report.

23 (d) The holder of an ownership interest under AS 34.45.200 shall  
24 deliver a duplicate certificate or other evidence of ownership if the  
25 holder does not issue certificates of ownership to the department.  
26 Upon delivery of a duplicate certificate to the department, the holder  
27 and any transfer agent, registrar, or other person acting for or on  
28 behalf of a holder in executing or delivering the duplicate certifi-  
29 cate is relieved of all liability of every kind, in accordance with

1 the provisions of AS 34.45.330 to every person, including a person  
2 acquiring the original certificate or the duplicate of the certificate  
3 issued to the department, for any losses or damages resulting to a  
4 person by the issuance and delivery to the department of the duplicate  
5 certificate.

6 Sec. 34.45.330. CUSTODY BY STATE; HOLDER RELIEVED FROM LIABIL-  
7 ITY; REIMBURSEMENT OF HOLDER PAYING CLAIM; RECLAIMING FOR OWNER;  
8 DEFENSE OF HOLDER; PAYMENT OF SAFE DEPOSIT BOX OR REPOSITORY CHARGES.

9 (a) Upon the payment or delivery of property to the department, the  
10 state assumes custody and responsibility for the safekeeping of the  
11 property. A person who pays or delivers property to the department in  
12 good faith is relieved of all liability to the extent of the value of  
13 the property paid or delivered for any claim existing at the time of  
14 that payment or delivery or which, after that time, may arise or be  
15 made with respect to the property.

16 (b) A holder who has paid money to the department under AS 34.-  
17 45.110 -- 34.45.430 may make payment to a person appearing to the  
18 holder to be entitled to payment. Upon receiving proof of payment  
19 from the holder and proof that the payee was entitled to the payment,  
20 the department shall promptly reimburse the holder for the payment  
21 without imposing a fee or other charge. If reimbursement is sought  
22 for a payment made on a negotiable instrument, including a travelers  
23 check or money order, the holder must be reimbursed under this sub-  
24 section upon filing proof that the instrument was presented and that  
25 payment was made to a person who appeared to the holder to be entitled  
26 to payment. The holder must be reimbursed for payment made under this  
27 subsection even if the payment was made to a person whose claim was  
28 barred under AS 34.45.430.

29 (c) A holder who has delivered property, including a certificate

1 of an ownership interest in a business association, other than money  
2 to the department under AS 34.45.110 -- 34.45.430, may reclaim the  
3 property if it is still in the possession of the department, without  
4 payment of a fee or other charge, upon filing proof that the owner has  
5 claimed the property from the holder.

6 (d) The department may accept the holder's affidavit as suffi-  
7 cient proof of the facts that entitle the holder to recover money and  
8 property under this section.

9 (e) For the purposes of this section, "good faith" means that

10 (1) payment or delivery was made in a reasonable attempt to  
11 comply with this chapter;

12 (2) the person delivering the property was not a fiduciary  
13 then in breach of trust in respect to the property, and had a reason-  
14 able basis for believing, based on the facts then known to him or her,  
15 that the property was abandoned for the purposes of this chapter; and

16 (3) there is no showing that the records under which the  
17 delivery was made did not meet reasonable commercial standards of  
18 practice in the industry.

19 (f) Property removed from a safe deposit box or other safekeep-  
20 ing repository is received by the department subject to the holder's  
21 right under this subsection to be reimbursed for the actual cost of  
22 the opening and to a valid lien or contract providing for the holder  
23 to be reimbursed for unpaid rent or storage charges. For charges  
24 other than the actual cost of the opening, the department shall reim-  
25 burse or pay the holder an amount no greater than the value of the  
26 property recovered less the department's selling cost.

27 Sec. 34.45.340. CREDITING OF DIVIDENDS, INTEREST, OR INCREMENTS  
28 TO OWNER'S ACCOUNT. If property other than money is paid or delivered  
29 to the department under AS 34.45.110 -- 34.45.430, the owner is

1 entitled to receive from the department any dividends, interest, or  
2 other increments realized or accruing on the property at or before the  
3 department's liquidation or conversion of the property into money.  
4 This does not apply to appreciation in the value of the property, as  
5 provided in AS 34.45.360(d).

6 ARTICLE 5. ADMINISTRATION OF ABANDONED PROPERTY.

7 Sec. 34.45.360. PUBLIC SALE OF ABANDONED PROPERTY. (a) Except  
8 as provided in (c) and (d) of this section, the department, within  
9 three years after receiving abandoned property, shall sell it to the  
10 highest bidder at public sale in the area of the state which the  
11 department determines to be the most favorable market for the property  
12 involved. The department may decline the highest bid and reoffer the  
13 property for sale if in the judgment of the department the bid is  
14 insufficient. If in the judgment of the department the probable cost  
15 of sale exceeds the value of the property, it need not be offered for  
16 sale. A sale held under this section must be preceded by a single  
17 publication of notice, at least three weeks in advance of sale, in a  
18 newspaper of general circulation in the general area in which the  
19 property is to be sold.

20 (b) Securities listed on an established stock exchange must be  
21 sold at prices prevailing at the time of sale on the exchange. Other  
22 securities may be sold over the counter at prices prevailing at the  
23 time of sale or by any other method the department considers advis-  
24 able.

25 (c) Unless the department considers it to be in the best inter-  
26 est of the state to do otherwise, all securities, other than those  
27 presumed abandoned under AS 34.45.200, delivered to the department  
28 must be held for at least one year before it may sell them.

29 (d) Unless the department considers it to be in the best

1 interest of the state to do otherwise, all securities presumed aban-  
2 doned under AS 34.45.200 and delivered to the department must be held  
3 for at least three years before it may sell them. A person making a  
4 claim under AS 34.45.380 is entitled to receive either the securities  
5 delivered to the department by the holder, if they still remain in the  
6 hands of the department, or the proceeds received from sale, less any  
7 amounts deducted under AS 34.45.380(c). However, no person has a  
8 claim under this section or AS 34.45.380 against the state, the hold-  
9 er, a transfer agent, registrar, or other person acting for or on  
10 behalf of a holder for any appreciation in the value of the property  
11 occurring after delivery by the holder to the department.

12 (e) The purchaser of property at a sale conducted by the depart-  
13 ment under this section takes the property free of all claims of the  
14 owner or previous holder of the property and of all persons claiming  
15 through or under them. The department shall execute all documents  
16 necessary to complete the transfer of ownership.

17 Sec. 34.45.370. DEPOSIT OF MONEY. Except as otherwise provided  
18 by this section, the department shall promptly deposit in the general  
19 fund of this state all money received under AS 34.45.110 -- 34.45.780,  
20 including the proceeds from the sale of abandoned property under  
21 AS 34.45.360. The department shall retain in a separate trust fund an  
22 amount not less than \$100,000 from which prompt payment of claims  
23 allowed must be made. Before making the deposit, the department shall  
24 record the name and last known address of each person appearing from  
25 the holders' reports to be entitled to the property and the name and  
26 last known address of each insured person or annuitant and beneficiary  
27 and, with respect to each policy or contract listed in the report of  
28 an insurance company, its number, the name of the company, and the  
29 amount due. The record must be available for public inspection at all

1 reasonable business hours.

2 Sec. 34.45.380. FILING OF CLAIM WITH DEPARTMENT. (a) A person,  
3 excluding another state, claiming an interest in property paid or  
4 delivered to the department may file a claim on a form prescribed by  
5 the department and verified by the claimant.

6 (b) The department shall consider each claim after it is filed  
7 and shall give written notice to the claimant if the claim is denied  
8 in whole or in part. The notice may be given by mailing it to the ad-  
9 dress, if any, stated in the claim as the address to which notices are  
10 to be sent. If no address for notices is stated in the claim, the  
11 notice may be mailed to the address, if any, of the claimant as stated  
12 in the claim. No notice of denial need be given if the claim fails to  
13 state both the address to which notices are to be sent and the address  
14 of the claimant.

15 (c) If a claim is allowed, the department shall pay or deliver  
16 to the claimant the property or the amount the department actually  
17 received, or the net proceeds if it has been sold by the department,  
18 together with any additional amount required by AS 34.45.340. For the  
19 purposes of determining net proceeds after sale of the property, the  
20 department may deduct

21 (1) costs incurred in connection with the sale of the  
22 property;

23 (2) costs of mailing and publication in connection with the  
24 property;

25 (3) reasonable service charges; and

26 (4) costs incurred in examining records of the holder of  
27 the property and in collecting the property from the holder.

28 (d) If a claim is allowed and the property claimed was inter-  
29 est-bearing to the owner on the date of surrender by the holder, the

1 department also shall pay interest at the rate prescribed in AS 45.-  
2 45.010 or any lesser rate the property earned while in the possession  
3 of the holder. Interest begins to accrue when the property is de-  
4 livered to the department and ceases on the expiration of 10 years  
5 after delivery or the date on which payment is made to the owner,  
6 whichever is earlier. No interest on interest-bearing property is  
7 payable for any period before the effective date of this Act.

8 (e) A holder who pays the owner for property that has been  
9 delivered to the state and which, if claimed from the department,  
10 would be subject to (d) of this section shall add interest as provided  
11 in (d) of this section. The added interest must be repaid to the  
12 holder by the commissioner in the same manner as the principal.

13 Sec. 34.45.390. CLAIM OF ANOTHER STATE TO RECOVER PROPERTY;  
14 PROCEDURE. (a) At any time after personal property has been paid or  
15 delivered to the department under this chapter another state may  
16 recover the property if

17 (1) this state took custody of the property because the  
18 records of the holder did not reflect the last known address of the  
19 apparent owner when the property was presumed abandoned under this  
20 chapter, and the person entitled to the property was in the other  
21 state and under the laws of that state the property escheated to or  
22 was subject to a claim of abandonment by that state;

23 (2) the last known address of the apparent owner or other  
24 person entitled to the property, as reflected by the records of the  
25 holder, is in the other state and under the laws of that state the  
26 property has escheated to or become subject to a claim of abandonment  
27 by that state;

28 (3) the records of the holder were erroneous in that they  
29 did not accurately reflect the actual owner of the property and the

1 last known address of the actual owner is in the other state and under  
2 the laws of that state the property escheated to or was subject to a  
3 claim of abandonment by that state;

4 (4) this state took custody of the property under AS 34.-  
5 45.120(6), and, under the laws of the state of domicile of the holder,  
6 the property has escheated to or become subject to a claim of aban-  
7 donment by that state; or

8 (5) the property is the sum payable on a travelers check,  
9 money order, or other similar instrument of which this state took  
10 custody under AS 34.45.140, and the instrument was purchased in the  
11 other state, and, under the laws of that state, the property escheated  
12 to or became subject to a claim of abandonment by that state.

13 (b) The claim of another state to recover escheated or abandoned  
14 property must be presented in a form prescribed by the department.  
15 The department shall allow the claim if it determines that the other  
16 state is entitled to the abandoned property under (a) of this section.

17 (c) The department shall require a state, before recovering  
18 property under this section, to agree to indemnify this state and its  
19 officers and employees against any liability on a claim for the prop-  
20 erty.

21 Sec. 34.45.400. ACTION TO ESTABLISH CLAIM. (a) A person ag-  
22 grieved by a decision or action of the department under this chapter  
23 may apply to the department within 60 days after the mailing date of  
24 the department's notice to the person, giving notice of the grievance  
25 and requesting an informal conference. At the conference the person  
26 ~~aggravated any present arguments and evidence relevant to the decision~~  
27 or action of the department. If the department determines that a  
28 correction is warranted, the department shall make the correction.

29 (b) A person aggrieved by a decision or action of the department

1 may apply to the department and request a formal hearing

2 (1) in place of the informal conference provided for in (a)  
3 of this section, within 60 days after the mailing date of the depart-  
4 ment's notice to the person; or

5 (2) within 30 days after the decision resulting from an  
6 informal conference.

7 (c) At the formal hearing the department may subpoena witnesses  
8 and may administer oaths and make inquiries necessary to determine the  
9 validity of the claim. The person aggrieved may present arguments and  
10 evidence relevant to the decision or action of the department. If the  
11 department determines that a correction is warranted, the department  
12 shall make the correction.

13 (d) A person aggrieved by the decision of the department may,  
14 within 30 days after the formal hearing and decision by the depart-  
15 ment, appeal to the superior court in the judicial district in which  
16 the person resides. The appellant must be given access to the depart-  
17 ment's file in the matter, for preparation of the appeal. If, after  
18 the appeal is heard, it appears that the decision of the department  
19 was correct, the court shall confirm that decision. If incorrect, the  
20 court shall determine the amount that the person aggrieved is entitled  
21 to recover and shall order the repayment. The department shall imme-  
22 diately pay the amount due and attach a certified copy of the judgment  
23 to the payment.

24 Sec. 34.45.410. ELECTION TO TAKE DELIVERY. (a) The department  
25 may decline to receive property reported under this chapter which it  
26 considers to have a value less than the expense of giving notice and  
27 of sale. If the department elects not to receive custody of the  
28 property, the holder must be notified within 120 days after filing the  
29 report required under AS 34.45.280.

1 (b) A holder, with the written consent of the department and  
2 upon terms prescribed by the department, may report and deliver prop-  
3 erty before the property is presumed abandoned. Property delivered  
4 under this subsection must be held by the department and is not pre-  
5 sumed abandoned until it otherwise would be presumed abandoned under  
6 this chapter.

7 Sec. 34.45.420. DESTRUCTION OR DISPOSITION OF PROPERTY HAVING  
8 INSUBSTANTIAL COMMERCIAL VALUE; IMMUNITY FROM LIABILITY. If the  
9 department determines after investigation that property delivered  
10 under this chapter has insubstantial commercial value, the department  
11 may destroy or otherwise dispose of the property at any time. No  
12 action or proceeding may be maintained against the state or any offi-  
13 cer or against the holder for or on account of any action taken by the  
14 department under this section.

15 Sec. 34.45.430. PERIODS OF LIMITATION. The expiration, before  
16 or after the effective date of this Act, of a period of time specified  
17 by contract, statute, or court order, during which a claim for money  
18 or property can be made or during which an action or proceeding may be  
19 commenced or enforced to obtain payment of a claim for money or to  
20 recover property, does not prevent the money or property from being  
21 presumed abandoned, and does not affect a duty to file a report or to  
22 pay or deliver abandoned property to the department as required by  
23 AS 34.45.110 -- 34.45.430.

24 ARTICLE 6. ENFORCEMENT AND PENALTIES.

25 Sec. 34.45.450. ENFORCEMENT. The department may bring an action  
26 in a court of competent jurisdiction to enforce AS 34.45.110 --  
27 34.45.780.

28 Sec. 34.45.460. INTERSTATE AGREEMENTS AND COOPERATION; JOINT AND  
29 RECIPROCAL ACTIONS WITH OTHER STATES. (a) The department may enter

1 into agreements with other states to exchange information needed to  
2 enable this or another state to audit or otherwise determine unclaimed  
3 personal property that it or another state may be entitled to subject  
4 to a claim of custody. The department may, by regulation, require the  
5 reporting of information needed to enable compliance with agreements  
6 made under this section, and prescribe the form.

7 (b) To avoid conflicts between the department's procedures and  
8 the procedures of administrators in other jurisdictions that enact the  
9 Uniform Unclaimed Property Act, the department, so far as is consis-  
10 tent with the purposes, policies, and provisions of this chapter,  
11 shall, before adopting, amending, or repealing regulations, advise and  
12 consult with administrators in other jurisdictions that enact, sub-  
13 stantially, the Uniform Unclaimed Property Act, and shall take into  
14 consideration the rules of administrators in other jurisdictions that  
15 enact the Uniform Unclaimed Property Act.

16 (c) The department may join with other states to seek enforce-  
17 ment of this Act against a person who is or may be holding property  
18 reportable under AS 34.45.110 -- 34.45.430.

19 (d) At the request of another state, the attorney general of  
20 this state may bring an action in the name of the administrator of the  
21 other state in a court of competent jurisdiction to enforce the un-  
22 claimed property laws of the other state against a holder in this  
23 state of property subject to escheat or a claim of abandonment by the  
24 other state. An action may be brought under this subsection only if  
25 the other state has agreed to pay expenses incurred by the attorney  
26 general of this state in bringing the action.

27 (e) The department may request that the attorney general of  
28 another state, or any other person, bring an action in the other state  
29 in the name of the department. This state shall pay all expenses

1 including attorney fees in an action under this subsection. The  
2 department may agree to pay the person bringing the action attorney  
3 fees based in whole or in part on a percentage of the value of any  
4 property recovered in the action. Expenses paid under this subsection  
5 may not be deducted from the amount that is subject to a claim by the  
6 owner under AS 34.45.110 -- 34.45.430.

7 Sec. 34.45.470. INTEREST AND PENALTIES. (a) A person who fails  
8 to pay or deliver property within the time prescribed by this chapter  
9 may be required to pay to the department interest at the annual rate  
10 calculated under AS 43.05.225 on the property or the value of it from  
11 the date the property should have been paid or delivered.

12 (b) A person who fails to pay or deliver property or fails to  
13 perform other duties required under this chapter may be required to  
14 pay the civil penalties calculated under AS 43.05.220, on the property  
15 or the value of the property which the person had a duty to pay,  
16 deliver, or report to the department.

17 (c) A person who wilfully refuses after written demand by the  
18 department to pay or deliver property to the department as required  
19 under this chapter is guilty of a class A misdemeanor.

20 ARTICLE 7. UNIFORM ACT GENERAL PROVISIONS.

21 Sec. 34.45.700. AGREEMENT TO LOCATE REPORTED PROPERTY. An  
22 agreement to pay compensation to recover or assist in the recovery of  
23 property reported under AS 34.45.280, made within 24 months after the  
24 date payment or delivery is made under AS 34.45.290, is unenforceable.

25 Sec. 34.45.710. FOREIGN TRANSACTIONS. AS 34.45.110 -- 34.45.780  
26 do not apply to property held, due, and owing in a foreign country and  
27 arising out of a foreign transaction.

28 Sec. 34.45.720. EFFECT OF AS 34.45.110 -- 34.45.780; CLARIFICA-  
29 TION OF APPLICATION. (a) AS 34.45.110 -- 34.45.780 do not relieve a

1 holder of a duty that arose before the effective date of this Act to  
2 report, pay, or deliver property. A holder who did not comply with  
3 the law in effect before the effective date of this Act is subject to  
4 the applicable enforcement and penalty provisions that existed before  
5 that date, and those provisions are continued in effect for the pur-  
6 pose of this subsection.

7 (b) The initial report filed under AS 34.45.280 for property  
8 that was not required to be reported before the effective date of this  
9 Act but which is subject to AS 34.45.110 -- 34.45.780 must include all  
10 items of property that would have been presumed abandoned within the  
11 two-year period preceding the effective date of this Act, as if  
12 AS 34.45.110 -- 34.45.780 had been in effect during that period.

13 Sec. 34.45.730. REGULATIONS. The department shall adopt regu-  
14 lations necessary to carry out the provisions of AS 34.45.110 --  
15 34.45.780.

16 Sec. 34.45.740. SEVERABILITY. If any provision of AS 34.45.-  
17 110 -- 34.45.780 or the application of that provision to any person or  
18 circumstance is held invalid, the invalidity does not affect other  
19 provisions or applications of those sections which can be given effect  
20 without the invalid provision or application, and to this end the  
21 provisions of AS 34.45.110 -- 34.45.780 are severable.

22 Sec. 34.45.750. UNIFORMITY OF APPLICATION AND CONSTRUCTION.  
23 AS 34.45.110 -- 34.45.780 must be applied and construed so as to  
24 effectuate their general purpose to make uniform the law with respect  
25 to unclaimed property among states enacting the Uniform Unclaimed  
26 Property Act.

27 Sec. 34.45.760. REPORT BY DEPARTMENT UPON FAILURE TO MAKE REPORT  
28 OR MAKING FALSE OR FRAUDULENT REPORT. If a person fails to submit a  
29 report as required under AS 34.45.110 -- 34.45.780, or makes, wilfully

1 or otherwise, a fraudulent report, the department shall make the  
2 report from the information it obtains as prescribed under AS 43.05.-  
3 050.

4 Sec. 34.45.770. DEFINITIONS. In AS 34.45.110 -- 34.45.780,  
5 unless the context requires otherwise

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

9 (2) "banking organization" means a bank, trust company,  
10 savings bank, industrial bank, land bank, safe deposit company, pri-  
11 vate banker, or any organization defined by other laws as a bank or  
12 banking organization;

13 (3) "business association" means a non-public corporation,  
14 joint stock company, investment company, business trust, partnership,  
15 or association for business purposes of two or more individuals,  
16 whether or not for profit, including a banking organization, financial  
17 organization, insurance company, or utility;

18 (4) "commissioner" means the commissioner of the Department  
19 of Revenue;

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

21 (6) "domicile" means the state of incorporation of a corpo-  
22 ration and the state of the principal place of business of an unincor-  
23 porated person;

24 (7) "financial organization" means a savings and loan  
25 association, cooperative bank, building and loan association, or  
26 credit union;

27 (8) "holder" means a person, wherever organized or domi-  
28 ciled, who is

29 (A) in possession of property belonging to another,

1 (B) a trustee, or

2 (C) indebted to another on an obligation;

3 (9) "insurance company" means an association, corporation,  
4 fraternal or mutual benefit organization, whether or not for profit,  
5 which is engaged in providing insurance coverage, including acci-  
6 dental; burial; casualty; credit life; contract performance; dental;  
7 fidelity; fire; health; hospitalization; illness; life, including  
8 endowments and annuities; malpractice; marine; mortgage; surety; and  
9 wage protection insurance;

10 (10) "intangible property" includes

11 (A) money, checks, drafts, deposits, interest, divi-  
12 dends, and income;

13 (B) credit balances, customer overpayments, gift  
14 certificates, security deposits, refunds, credit memos, unpaid  
15 wages, unused airline tickets, and unidentified remittances;

16 (C) stocks and other intangible ownership interests in  
17 business associations;

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

20 (E) amounts due and payable under the terms of insur-  
21 ance policies; and

22 (F) amounts distributable from a trust or custodial  
23 fund established under a plan to provide health, welfare, pen-  
24 sion, vacation, severance, retirement, death, stock purchase,  
25 profit sharing, employee savings, supplemental unemployment  
26 insurance, or similar benefits;

27 (11) "last known address" means a description of the lo-  
28 cation of the apparent owner sufficient for the purpose of the deliv-  
29 ery of mail;

1           (12) "owner" means a depositor in the case of a deposit, a  
2 beneficiary in the case of a trust other than a deposit in trust, a  
3 creditor, claimant, or payee in the case of other intangible property,  
4 or a person having a legal or equitable interest in property subject  
5 to AS 34.45.110 -- 34.45.780; the term includes a person's legal  
6 representative;

7           (13) "person" means an individual, business association,  
8 state or other government, including the United States government,  
9 subdivision or agency, public corporation, public authority, estate,  
10 trust, two or more persons having a joint or common interest, or any  
11 other legal or commercial entity;

12           (14) "property" means personal property;

13           (15) "state" means any state, district, commonwealth, terri-  
14 tory, insular possession, or any other area subject to the legislative  
15 authority of the United States;

16           (16) "utility" means a person who owns or operates for  
17 public use a plant, equipment, property, franchise, or license for the  
18 transmission of communications or the production, storage, trans-  
19 mission, sale, delivery, or furnishing of electricity, water, steam,  
20 or gas.

21           Sec. 34.45.780. SHORT TITLE. AS 34.45.110 -- 34.45.780 may be  
22 cited as the Uniform Unclaimed Property Act.

23 \* Sec. 9. AS 38.05 is amended by adding new sections to read:

24           ARTICLE 12A. REAL PROPERTY ESCHEATED TO STATE.

25           Sec. 38.05.600. REAL PROPERTY SUBJECT TO ESCHEAT. (a) Real  
26 property in an intestate estate for which no taker can be found and  
27 real property devised by will for which no devisee, heir, or other  
28 claimant can be found escheats to the state.

29           (b) Real property of a defunct organization or corporation, for

1 which there has been no proceeding for distribution instituted within  
2 four years after the organization becomes defunct, escheats to the  
3 state.

4 Sec. 38.05.610. ENFORCEMENT OF RIGHTS BY DEPARTMENT. (a) When  
5 the department is informed or has reason to believe that real property  
6 has escheated to the state, the department shall bring an action in  
7 superior court to establish whether the property has escheated to the  
8 state.

9 (b) The department may maintain an action to recover the pos-  
10 session of escheated property, or for the enforcement of the state's  
11 right to the property.

12 Sec. 38.05.620. JUDGMENT OF ESCHEAT. (a) If the superior court  
13 determines that the real property has escheated to the state, the  
14 superior court shall issue a judgment of escheat.

15 (b) A court order approving settlement of an estate which dis-  
16 tributes real property to the state is a judgment of escheat.

17 Sec. 38.05.630. MANAGEMENT OF ESCHEATED REAL PROPERTY BY DEPART-  
18 MENT. (a) After a judgment of escheat under AS 38.05.620, the de-  
19 partment may sell, lease, exchange, assign, or otherwise manage real  
20 property that has escheated to the state, consistent with applicable  
21 provisions of this title. In determining the proper disposition of  
22 escheated real property the department shall, within two years after  
23 the judgment of escheat under AS 38.05.620, make a written finding  
24 that it is in the best interests of the state to either

25 (1) obtain an appraisal of the real property and sell,  
26 lease, exchange, assign, or otherwise manage the property, including  
27 retention in state management; or

28 (2) retain the real property in state management without  
29 obtaining an appraisal.

1 (b) When escheated real property is handled under (a)(1) of this  
2 section, the department shall first obtain an independent appraisal of  
3 the fair market value of the property. The appraised value, or the  
4 selling price from a sale under AS 38.05.055 if it is lower, less the  
5 expenses of sale or appraisal, is the established value of the proper-  
6 ty for purposes of redemption by an heir or other taker under AS 38.-  
7 05.640.

8 (c) Seven years after the judgment of escheat, real property  
9 that has not been otherwise disposed of by the department becomes  
10 general state land for classification, disposal, and use.

11 Sec. 38.05.640. TIME WITHIN WHICH TO CLAIM ESCHEATED REAL PROP-  
12 ERTY. (a) Within seven years after a judgment of escheat under  
13 AS 38.05.620, a person who is not a party to the escheat proceeding  
14 may bring an action in the superior court to prove the person's claim  
15 to the real property. If the plaintiff establishes the claim and  
16 establishes that the plaintiff had no knowledge of the prior escheat  
17 proceeding, the court shall award the plaintiff the property if it has  
18 been managed under AS 38.05.630(a)(2), or the established value of the  
19 property under AS 38.05.630(b) if the property has been managed under  
20 AS 38.05.630(a)(1).

21 (b) If it is determined that the plaintiff is entitled to the  
22 property, the department shall deliver the property to the plaintiff.  
23 The rents, profits, interest, or dividends that accrue to the state  
24 during its possession of the property are the property of the state  
25 and may not be recovered.

26 (c) If it is determined that the plaintiff is entitled to the  
27 established value of property that has been disposed of under AS 38.-  
28 05.630(a)(1), at the department's discretion it may offer to the  
29 plaintiff land owned by the state and available for disposal that is

1 of comparable value to the established value under AS 38.05.630(b).  
2 If the department does not offer land of comparable value, or if the  
3 plaintiff refuses the department's offer, the plaintiff is entitled to  
4 the value of the property as established under AS 38.05.630(b).

5 (d) The time limitation of seven years does not apply to a minor  
6 or an incapacitated person as defined by AS 13.26.005(1), but such a  
7 person must bring an action to prove a claim within one year after the  
8 incapacity ceases.

9 Sec. 38.05.650. PROCEEDS OF SALE OR REDEMPTION. The proceeds of  
10 real property sold under AS 38.05.630(a)(1) less the expenses of sale,  
11 including attorney fees and appraisal and publication costs must be  
12 deposited in an escheated real property trust account. This money  
13 must be maintained in the account for a period of at least seven years  
14 after the date of the judgment of escheat. Money in the trust account  
15 may be used to pay claims, if any, made under AS 38.05.640.

16 Sec. 38.05.660. DISPOSITION OF SALE PROCEEDS SEVEN YEARS AFTER  
17 THE JUDGMENT OF ESCHEAT. Seven years after the judgment of escheat,  
18 net proceeds from the sale of escheated real property may be trans-  
19 ferred from the escheated real property trust account to the general  
20 fund and credited to the land disposal income account, AS 38.04.022.

21 \* Sec. 10. AS 06.05.460; AS 09.50.070 -- 09.50.160; and AS 10.05.591  
22 are repealed.

23 \* Sec. 11. The Uniform Unclaimed Property Act, set out in sec. 8 of  
24 this Act, does not apply to personal property already delivered to the  
25 state or already the subject of escheat proceedings before the effective  
26 date of this Act.

27 \* Sec. 12. This Act takes effect immediately in accordance with AS 01.-  
28 10.070(c).