

Offered: 5/8/86  
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE  
2 SENATE CS FOR CS FOR HOUSE BILL NO. 182 (Finance)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL  
6 For an Act entitled: "An Act relating to the disposition of unclaimed  
7 property."  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
9 \* Section 1. AS 06.05.470(x) is amended to read:  
10 (x) Unclaimed funds remaining after the completion of the liq-  
11 uidation by the department shall be handled in accordance with AS 34.-  
12 45.110 - 34.45.780 [RETAINED FOR FIVE YEARS BY IT UNLESS SOONER  
13 CLAIMED BY THE OWNER. AFTER THAT, THE REMAINING SUM SHALL BE TRANS-  
14 FERRED TO THE GENERAL FUND].  
15 \* Sec. 2. AS 06.25.085 is amended to read:  
16 Sec. 06.25.085. APPLICATION OF GENERAL BANKING LAWS. The pro-  
17 visions of AS 06.05.005 - 06.05.085, 06.05.090 06.05.270, 06.05.307,  
18 06.05.320 - 06.05.327, 06.05.405 - 06.05.425, 06.05.440 - 06.05.445,  
19 [06.05.460,] 06.05.462, 06.05.465 - 06.05.515 and 06.05.525 - 06.05.-  
20 545 apply to all trust companies engaged in any phase of the business  
21 of banking as that term is defined by AS 06.05.540(3) or AS 06.25.100.  
22 \* Sec. 3. AS 10.15.520 is amended to read:  
23 Sec. 10.15.520. DEPOSIT WITH DEPARTMENT OF AMOUNT DUE PERSONS  
24 WHO CANNOT BE FOUND. Upon the voluntary or involuntary dissolution of  
25 a cooperative, the portion of the assets distributable to a creditor,  
26 member, shareholder or patron or other person unknown or who cannot be  
27 found, or who is under a disability with [AND THERE IS] no person  
28 legally competent to receive the distributive portion, shall be re-  
29 duced to cash, and within six months after the final dividend in the

1 liquidation or winding up is payable, shall be deposited with the  
2 department. The receiver or other liquidating agent shall prepare in  
3 duplicate and under oath a statement containing the names and last  
4 known addresses of the persons entitled to the funds, and shall file  
5 the statement with the department. The department shall handle the  
6 funds in accordance with AS 34.45.110 - 34.45.780 [THE FUNDS SHALL  
7 THEREUPON ESCHEAT TO AND BECOME THE PROPERTY OF THE STATE. THE OWNER,  
8 OR THE OWNER'S HEIRS OR PERSONAL REPRESENTATIVES, MAY RECLAIM ANY  
9 FUNDS SO DEPOSITED IN THE MANNER PROVIDED FOR ESTATES WHICH HAVE  
10 ESCHEATED TO THE STATE].

11 \* Sec. 4. AS 12.36.030(b) is repealed and reenacted to read:

12 (b) The law enforcement agency shall dispose of that part of the  
13 property referenced in (a) of this section that is

14 (1) subject to AS 34.45.110 - 34.45.780 in accordance with  
15 AS 34.45.110 - 34.45.780;

16 (2) not subject to AS 34.45.110 - 34.45.780 by selling the  
17 property in the same manner as a sale upon execution; after paying the  
18 expenses for the preservation and sale of the property, the law en-  
19 forcement agency shall dispose of the proceeds of the sale in the same  
20 manner as money collected upon a judgment.

21 \* Sec 5. AS 13.11.025 is amended to read:

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

24 (1) personal property in the intestate estate passes to the  
25 state and is subject to AS 34.45.280 - 34.45.780; if notice to heirs,  
26 substantially equivalent to that required by AS 34.45.310, has been  
27 given by the personal representative or other person, AS 34.45.310  
28 does not apply;

29 (2) real property in the intestate estate passes to the

1 state and is subject to AS 38.95.200 - 38.95.270.

2 \* Sec. 6. AS 13.16 is amended by adding a new section to read:

3 Sec. 13.16.381. DISPOSITION OF UNCLAIMED ESTATE BY PERSONAL  
4 REPRESENTATIVE. When there is no taker of an intestate estate, or if  
5 an heir, devisee, or claimant cannot be found and the missing person  
6 has no conservator, the personal representative shall handle the

7 (1) unclaimed personal property of the estate in accordance  
8 with AS 34.45.280 - 34.45.780; and

9 (2) unclaimed real property of the estate in accordance with  
10 AS 38.05.

11 \* Sec. 7. AS 13.16.600(a) is amended to read:

12 (a) If an heir, devisee, or claimant cannot be found, the per-  
13 sonal representative shall distribute the share of personal property  
14 of the missing person to the person's conservator, or if the person  
15 has no conservator [ANY, OTHERWISE] to the Department [COMMISSIONER]  
16 of Revenue to be deposited in the general fund as required by AS 34.-  
17 45.370. Property distributable to the Department of Revenue under  
18 this subsection is subject to AS 34.45.280 - 34.45.780. If notice to  
19 the heir, devisee, or claimant, substantially equivalent to that  
20 required by AS 34.45.310, has been given by the personal representa-  
21 tive or other person, AS 34.45.310 does not apply [TO BECOME A PART OF  
22 THE STATE ESCHEAT FUND].

23 \* Sec. 8. AS 13.16.600(b) is repealed and reenacted to read:

24 (b) Real property distributable to a missing heir, devisee, or  
25 claimant shall be distributed first to the conservator of the heir,  
26 devisee, or claimant; if the heir, devisee, or claimant has no conser-  
27 vator, the real property passes to the state. Real property reported  
28 under this section is subject to AS 38.95.200 - 38.95.270.

29 \* Sec. 9. AS 34.45.030 is amended to read:

1           Sec. 34.45.030. SALE. If [THE] property held by a person de-  
2 scribed in AS 34.45.010 is not claimed and taken away within one year  
3 after the time it is received, the person having possession of the  
4 property may sell the property in the manner provided in AS 34.45.-  
5 010 - 34.45.080, except that property described in AS 34.45.110 -  
6 34.45.260 shall be reported to the Department of Revenue under AS 34.-  
7 45.280 and is subject to AS 34.45.290 - 34.45.780 [THIS CHAPTER].

8 \* Sec. 10. AS 34.45.070(b) is amended to read:

9           (b) The district judge or magistrate shall hold the money in  
10 trust for the owner of the property and shall pay it to the owner upon  
11 the latter's making a written, verified claim to it, with proof of  
12 ownership, within one year [SIX MONTHS] after the date of the sale.  
13 If no claim is made within one year [SIX MONTHS] after the date of the  
14 sale, the district judge or magistrate shall immediately pay the  
15 excess proceeds to the Department of Revenue. Excess proceeds that  
16 are required to be paid over to the Department of Revenue under this  
17 section, are subject to AS 34.45.280 and 34.45.330 - 34.45.780. [THE  
18 DEPARTMENT OF REVENUE SHALL DEPOSIT THE EXCESS PROCEEDS IN THE STATE  
19 TREASURY, AND THE OWNER, WITHIN SEVEN YEARS AFTER THE DEPOSIT, MAY  
20 RECOVER THE MONEY FROM THE STATE.]

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

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

23           Sec. 34.45.110. GENERAL RULE FOR PROPERTY PRESUMED ABANDONED.

24           (a) Except as otherwise provided in AS 34.45.120 - 34.45.780, all  
25 intangible property, including income or increment derived from the  
26 property, less lawful charges, that is held, issued, or owing in the  
27 ordinary course of a holder's business and has remained unclaimed by  
28 the owner for more than five years after becoming payable or distrib-  
29 utable is presumed abandoned.

1 (b) Property is payable or distributable for the purposes of  
2 AS 34.45.120 - 34.45.780 even if the owner failed to demand the prop-  
3 erty or to present an instrument or document required to receive  
4 payment of the property.

5 Sec. 34.45.120. GENERAL RULES FOR TAKING CUSTODY OF UNCLAIMED  
6 INTANGIBLE PROPERTY. Unless otherwise provided in this chapter or by  
7 another statute of the state, intangible property is subject to the  
8 custody of the state as unclaimed property if the conditions raising a  
9 presumption of abandonment under AS 34.45.110 or 34.45.140 - 34.45.260  
10 are satisfied and

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

13 (2) the records of the holder do not reflect the identity  
14 of the person entitled to the property and it is established that the  
15 last known address of the person entitled to the property is in the  
16 state;

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

19 (A) the last known address of the person entitled to  
20 the property is in the state, or

21 (B) the holder is a domiciliary or a government or  
22 governmental subdivision or agency, including a municipality, of  
23 the state and has not previously paid or delivered the property  
24 to the state of the last known address of the apparent owner or  
25 other person entitled to the property;

26 (4) the last known address of the apparent owner, as shown  
27 on the records of the holder, is in a state that either does not  
28 provide by law for the escheat or custodial taking of the property, or  
29 its escheat or unclaimed property law is not applicable to the

1 property, and the holder is a domiciliary, government, or governmental  
2 subdivision or agency, including a municipality, of the state;

3 (5) the last known address of the apparent owner, as shown  
4 on the records of the holder, is in a foreign nation and the holder is  
5 a domiciliary, government, or governmental subdivision, including a  
6 municipality, or agency of the state; or

7 (6) the transaction out of which the property arose oc-  
8 curred in the state and

9 (A) the last known address of the apparent owner or  
10 other person entitled to the property is unknown, or the last  
11 known address of the apparent owner or other person entitled to  
12 the property is in a state that either does not provide by law  
13 for the escheat or custodial taking of the property or its es-  
14 cheat or unclaimed property law does not apply to the property,  
15 and

16 (B) the holder is a domiciliary of a state that either  
17 does not provide by law for the escheat or custodial taking of  
18 the property or its escheat or unclaimed property law does not  
19 apply to the property.

20 ARTICLE 3. CONDITIONS LEADING TO PRESUMPTION OF ABANDONMENT OF  
21 PARTICULAR TYPES OF PERSONAL PROPERTY.

22 Sec. 34.45.140. TRAVELER'S CHECKS AND MONEY ORDERS. (a) Sub-  
23 ject to (d) of this section, money payable on a traveler's check that  
24 has been outstanding for more than 15 years after its issuance is  
25 presumed abandoned unless the owner, within the preceding 15 years,  
26 has communicated in writing with the issuer concerning it or otherwise  
27 indicated an interest as evidenced by a memorandum or other record, on  
28 file, prepared by an employee of the issuer.

29 (b) Subject to (d) of this section, money payable on a money

1 order or similar written instrument, other than a third-party bank  
2 check, that has been outstanding for more than seven years after its  
3 issuance is presumed abandoned unless the owner, within the preceding  
4 seven years, has communicated in writing with the issuer concerning it  
5 or otherwise indicated an interest as evidenced by a memorandum or  
6 other record, on file, prepared by an employee of the issuer.

7 (c) A holder may not deduct from the amount of a traveler's  
8 check or money order a charge imposed for failure to present the  
9 instrument for payment unless there is a valid and enforceable written  
10 contract between the issuer and the owner of the instrument under  
11 which the issuer may impose a charge, and the issuer regularly imposes  
12 charges and does not regularly reverse or otherwise cancel them.

13 (d) Money payable on a traveler's check, money order, or similar  
14 written instrument, other than a third-party bank check, described in  
15 (a) and (b) of this section, is not subject to the custody of the  
16 state as unclaimed property unless

17 (1) the records of the issuer show that the traveler's  
18 check, money order, or similar written instrument was purchased in the  
19 state;

20 (2) the issuer has its principal place of business in the  
21 state and the records of the issuer do not show the state in which the  
22 traveler's check, money order, or similar written instrument was pur-  
23 chased; or

24 (3) the issuer has its principal place of business in the  
25 state, the records of the issuer show the state in which the travel-  
26 er's check, money order, or similar written instrument was purchased  
27 and the state of purchase either does not provide by law for the  
28 escheat or custodial taking of the property or its escheat or un-  
29 claimed property law is not applicable to the property.

1           (e) Notwithstanding any other provision of AS 34.45.110 - 34.-  
2 45.780, (d) of this section applies to money payable on traveler's  
3 checks, money orders, and similar written instruments, other than a  
4 third-party bank check, presumed abandoned after January 31, 1965,  
5 except to the extent that those sums have been paid over to a state  
6 before January 1, 1974.

7           Sec. 34.45.150. CHECKS, DRAFTS, AND SIMILAR INSTRUMENTS ISSUED  
8 OR CERTIFIED BY BANKING AND FINANCIAL ORGANIZATIONS. (a) Other than  
9 money payable on an instrument that is subject to AS 34.45.140, money  
10 payable on a check, draft, or similar instrument on which a banking or  
11 financial organization is directly liable, including a cashier's check  
12 and a certified check, that has been outstanding for more than seven  
13 years after it was payable or after its issuance if payable on demand,  
14 is presumed abandoned. This presumption does not apply if the owner,  
15 within the preceding seven years, has communicated in writing with the  
16 banking or financial organization concerning the instrument or has  
17 otherwise indicated an interest as evidenced by a memorandum or other  
18 record, on file, prepared by an employee of the organization.

19           (b) A holder may not deduct from the amount of an instrument  
20 subject to this section a charge imposed for failure to present the  
21 instrument for payment unless there is a valid and enforceable written  
22 contract between the holder and the owner of the instrument under  
23 which the holder may impose a charge, and the holder regularly imposes  
24 the charges and does not regularly reverse or otherwise cancel them.

25           Sec. 34.45.160. BANK DEPOSITS AND MONEY IN FINANCIAL ORGANIZA-  
26 TIONS. (a) A demand, savings, or matured time deposit with a banking  
27 or financial organization, including a deposit that is automatically  
28 renewable, and money paid toward the purchase of a share, a mutual  
29 investment certificate, or other intangible property interest in a

1 banking or financial organization is presumed abandoned unless the  
2 owner, within the preceding seven years has,

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

6 (2) communicated in writing with the banking or financial  
7 organization concerning the property;

8 (3) otherwise indicated an interest in the property as  
9 evidenced by a memorandum or other record, on file, prepared by an em-  
10 ployee of the banking or financial organization;

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

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

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

23 (B) the banking or financial organization communicates  
24 in writing with the owner with regard to the property that would  
25 otherwise be abandoned under this subsection at the address to  
26 which communications regarding the other relationship regularly  
27 are sent.

28 (b) A holder may not impose, with respect to property described  
29 in (a) of this section, a charge due to dormancy or inactivity, or

1 cease payment of interest.

2 (c) Property described in (a) of this section that is automat-  
3 ically renewable is matured for purposes of (a) of this section upon  
4 the expiration of its initial time period. However, in the case of a  
5 renewal to which the owner consents at or about the time of renewal by  
6 communicating in writing with the banking or financial organization or  
7 by otherwise indicating consent as evidenced by a memorandum or other  
8 record on file, prepared by an employee of the organization, the prop-  
9 erty is matured upon the expiration of the last time period for which  
10 consent was given. If, at the time provided for delivery in AS 34.-  
11 45.320, a penalty or forfeiture in the payment of interest would  
12 result from the delivery of the property, the time for delivery is  
13 extended until the time when no penalty or forfeiture would result.

14 (d) For purposes of this section, "property" includes interest  
15 and dividends.

16 Sec. 34.45.170. MONEY OWING UNDER LIFE INSURANCE POLICIES. (a)  
17 Money held or owing under a life or endowment insurance policy or  
18 annuity contract that has matured or terminated is presumed abandoned  
19 if unclaimed for more than five years after the money became due and  
20 payable as established from the records of the insurance company  
21 holding or owing the money. However, property described in (c)(2) of  
22 this section is presumed abandoned if unclaimed for more than two  
23 years.

24 (b) If a person other than the insured or annuitant is entitled  
25 to the money and the address of that person is not known to the compa-  
26 ny, or it is not definite and certain from the records of the company  
27 who is entitled to the money, it is presumed that the last known  
28 address of the person entitled to the money is the same as the last  
29 known address of the insured or annuitant according to the records of

1 the company.

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

6 (1) the company has received due proof that the insured or  
7 annuitant has died; or

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

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

13 (B) neither the insured nor another person appearing  
14 to have an interest in the policy has, within the preceding two  
15 years, according to the records of the company, assigned, read-  
16 justed, or paid premiums on the policy, subjected the policy to a  
17 loan, corresponded in writing with the company concerning the  
18 policy, or otherwise indicated an interest as evidenced by a  
19 memorandum or other record, on file, prepared by an employee of  
20 the company.

21 (d) For purposes of this section, the application of an automat-  
22 ic premium loan provision or other nonforfeiture provision contained  
23 in an insurance policy does not prevent a policy from being matured or  
24 terminated under (a) of this section if the insured has died or the  
25 insured or the beneficiary of the policy otherwise has become entitled  
26 to the proceeds of the policy before the depletion of the cash surren-  
27 der value of a policy by the application of those nonforfeiture pro-  
28 visions.

29 (e) If the laws of the state or the terms of the life insurance

1 policy require the company to give notice to the insured or the owner  
2 that an automatic premium loan provision or other nonforfeiture pro-  
3 vision has been exercised and the notice is to be given to an insured  
4 or owner whose last known address, according to the records of the  
5 company, is in the state but is undeliverable, the company shall make  
6 a reasonable search to ascertain the policyholder's correct address to  
7 which the notice must be mailed.

8 (f) Notwithstanding any other provision of law, if the company  
9 learns of the death of the insured or annuitant and the beneficiary  
10 has not communicated with the insurer within four months after the  
11 death, the company shall take reasonable steps to pay the proceeds to  
12 the beneficiary.

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

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

20 (2) the address of each beneficiary; and

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

22 Sec. 34.45.180. DEPOSITS HELD BY UTILITIES. A deposit, includ-  
23 ing interest on the deposit, made by a subscriber with a utility to  
24 secure payment, or money paid in advance for utility services to be  
25 furnished, less lawful deductions, that remains unclaimed by the owner  
26 for more than one year after the termination of the services for which  
27 the deposit or advance payment was made is presumed abandoned.

28 Sec. 34.45.190. REFUNDS HELD BY BUSINESS ASSOCIATIONS. Except  
29 to the extent otherwise ordered by a court or administrative agency,

1 money that a business association has been ordered by the court or  
2 administrative agency to refund is presumed abandoned if it remains  
3 unclaimed by the owner for more than one year after it became payable  
4 in accordance with the final determination or order providing for the  
5 refund, regardless of whether the final determination or order re-  
6 quires the owner to make a claim for it.

7           Sec. 34.45.200. STOCK AND OTHER INTANGIBLE INTERESTS IN BUSINESS  
8 ASSOCIATIONS. (a) Except as otherwise provided in AS 34.45.210 and  
9 (b), (e) and (f) of this section, stock or other intangible ownership  
10 interest in a business association, the existence of which is evi-  
11 denced by records available to the association, is presumed abandoned  
12 and, with respect to the ownership interest, the association is the  
13 holder, if a dividend, distribution, or other money payable as a  
14 result of the interest has remained unclaimed by the owner for seven  
15 years after the money became payable, and the owner, within that seven  
16 years, has not

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

20           (2) otherwise communicated with the association regarding  
21 the ownership interest or a dividend, distribution, or other money  
22 payable as a result of the interest, as evidenced by a memorandum or  
23 other record, on file with the association, prepared by an employee of  
24 the association.

25           (b) At the expiration of a seven-year period following the  
26 failure of the owner to claim a dividend, distribution, or other money  
27 payable to the owner as a result of the ownership interest, the inter-  
28 est is not presumed abandoned unless there have been at least seven  
29 dividends, distributions, or other payments paid during the period,

1 none of which has been claimed by the owner. If seven dividends,  
2 distributions, or other payments are paid during the seven-year peri-  
3 od, the ownership interest is presumed abandoned at the end of the  
4 seven-year period. If seven dividends, distributions, or other pay-  
5 ments are not paid during the seven-year period, the period continues  
6 to run until there have been seven dividends, distributions, or other  
7 payments that have not been claimed by the owner.

8 (c) The running of the seven-year period of abandonment ceases  
9 immediately upon the occurrence of a communication described in (a) of  
10 this section. If a subsequent dividend, distribution, or other money  
11 payable to the owner as a result of the ownership interest is not  
12 claimed by the owner, a new seven-year period of abandonment commences  
13 at the time that subsequent dividend, distribution, or other money  
14 became due and payable.

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

19 (e) This section does not apply to a stock or other intangible  
20 ownership interest enrolled in a plan that provides for the automatic  
21 reinvestment of dividends, distributions, or other money payable as a  
22 result of the interest, unless the records available to the adminis-  
23 trator of the plan show, with respect to another intangible ownership  
24 interest not enrolled in the reinvestment plan, that the owner has not  
25 within seven years communicated in a manner described in (a) of this  
26 section.

27 (f) A distribution of net margins by a cooperative incorporated  
28 under AS 10.25 is presumed abandoned if the distribution remains  
29 unclaimed by the owner for more than one year after the date

1 authorized for the distribution. The abandoned distribution reverts  
2 to the cooperative if the cooperative has, at least six months before  
3 the proposed reversion date, both

4 (1) mailed a notice of the proposed reversion to the last  
5 known address of the owner as shown by the cooperative records; and

6 (2) published notice of the proposed reversion in the  
7 manner provided by law for the service of a summons by publication.

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

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

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

29 (c) For the purpose of this section, a person who holds property

1 as an agent for a business association is considered as holding the  
2 property in a fiduciary capacity for that business association alone,  
3 unless the agreement between that person and the business association  
4 provides otherwise.

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

11 Sec. 34.45.230. PROPERTY HELD BY COURTS AND PUBLIC AGENCIES.  
12 Intangible property held for the owner by a court, state, municipality  
13 or other government, governmental subdivision or agency, public corpo-  
14 ration, or public authority, that remains unclaimed by the owner for  
15 more than one year after becoming payable or distributable, is pre-  
16 sumed abandoned.

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

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

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

1           Sec. 34.45.260. CONTENTS OF SAFE DEPOSIT BOX OR OTHER SAFEKEEP-  
2           ING REPOSITORY. All tangible and intangible personal property held in  
3           a safe deposit box or other safekeeping repository in a financial  
4           organization in the state in the ordinary course of the holder's  
5           business, and proceeds resulting from the sale of the property permit-  
6           ted by other law, that remain unclaimed by the owner for more than one  
7           year after the lease or rental period on the box or other repository  
8           has expired, are presumed abandoned.

9           ARTICLE 4. REPORTING AND DISPOSITION OF PERSONAL PROPERTY.

10           Sec. 34.45.280. REPORT OF ABANDONED PERSONAL PROPERTY. (a) A  
11           person holding personal property, tangible or intangible, presumed  
12           abandoned and subject to custody as unclaimed property under AS 34.-  
13           45.110 - 34.45.430, shall report to the department concerning the  
14           property as provided in this section.

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

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

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

28                   (3) in the case of the contents of a safe deposit box or  
29                   other safekeeping repository or of other tangible personal property, a

1 description of the property and the place where it is held and may be  
2 inspected by the department, and any amounts owing to the holder;

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

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

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

11 (c) If the holder of property presumed abandoned and subject to  
12 custody as unclaimed property is a successor to other persons who  
13 previously held the property for the apparent owner, or the holder has  
14 changed the holder's name while holding the property, the holder shall  
15 file with the holder's report all known names and addresses of each  
16 previous holder of the property.

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

24 (e) Not more than 120 days before filing the report required by  
25 this section, the holder in possession of property presumed abandoned  
26 and subject to custody as unclaimed property under AS 34.45.110 -  
27 34.45.430 shall send written notice to the apparent owner at the  
28 owner's last known address informing the owner that the holder is in  
29 possession of property subject to this chapter if

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

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

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

6 (f) The requirements of this section do not apply to the holder  
7 of intangible property that is presumed abandoned under AS 34.45.110 -  
8 34.45.780 during the year preceding June 30 of each year if the total  
9 aggregate value of the certificates and memos is less than \$750.

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

11 (a) The department may require a person who has not filed a report  
12 under AS 34.45.280 to file a verified report stating whether the  
13 person is holding unclaimed property reportable or deliverable under  
14 AS 34.45.110 - 34.45.780.

15 (b) The department, at reasonable times and upon reasonable  
16 notice, may examine the records of a person if the department has  
17 reason to believe that the person has not complied with the provisions  
18 of this chapter. The department may conduct the examination even if  
19 the person believes that the person does not possess property report-  
20 able or deliverable under this chapter. The department may use the  
21 information obtained under this subsection only for the purposes of  
22 this chapter. The department, or a current or former officer, em-  
23 ployee, or agent of the department, may not disclose information that  
24 is viewed or obtained during the course of an examination under this  
25 subsection and that is confidential under state or federal law or  
26 regulation, unless the disclosure is necessary to carry out the pur-  
27 poses of this chapter.

28 (c) If a person is treated under AS 34.45.220 as the holder of  
29 the property only so far as the interest of the business association

1 in the property is concerned, the department, under (b) of this sec-  
2 tion, may examine the records of the person if the department has  
3 given the notice required by (b) of this section to both the person  
4 and the business association.

5 (d) If, after the effective date of this Act, a holder fails to  
6 maintain the records required by AS 34.45.300 and the records of the  
7 holder available for the periods subject to AS 34.45.110 - AS 34.-  
8 45.780 are insufficient to permit the preparation of a report, the  
9 department may require the holder to report and pay the amount that is  
10 reasonably estimated from the available records.

11 Sec. 34.45.300. RETENTION OF RECORDS. (a) Every holder re-  
12 quired to file a report under AS 34.45.280, shall, if it has obtained  
13 the last known address of the owner, maintain a record of the name and  
14 last known address of the owner for seven years after the property be-  
15 comes reportable, unless a shorter time period is provided in (b) of  
16 this section or by regulations adopted by the department.

17 (b) A business association that sells, or provides such instru-  
18 ments to others for sale, in the state its traveler's checks, money  
19 order's, or other similar written instruments, other than third-party  
20 bank checks on which the business association is directly liable,  
21 shall maintain a record of the instruments while they remain outstand-  
22 ing, indicating the state and date of issue, for three years after the  
23 date the property is reportable.

24 Sec. 34.45.310. NOTICE AND PUBLICATION OF LISTS OF ABANDONED  
25 PROPERTY. (a) The department shall publish a notice not later than  
26 the March 1 following the submission of the report required by AS 34.-  
27 45.280, or in the case of property reported by life insurance com-  
28 panies, not later than the September 1 following the submission of the  
29 report. The notice shall be published at least once a week for two

1 consecutive weeks in a newspaper of general circulation in the area of  
2 the state in which the last known address of a person to be named in  
3 the notice is located. If no address is listed or the address is  
4 outside the state, the notice shall be published in a newspaper of  
5 general circulation in the area in which the holder of property has  
6 its principal place of business in the state.

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

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

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

15 (3) a statement that if proof of claim is not presented by  
16 the owner to the holder, and the owner's right to receive the property  
17 is not established to the holder's satisfaction before April 20 of the  
18 year of publication, or, in the case of property reported by a life  
19 insurance company, before October 20, the property will be placed not  
20 later than May 1 of that year, or in the case of property reported by  
21 a life insurance company, not later than November 1, in the custody of  
22 the department and all further claims shall be directed to the depart-  
23 ment after that placement.

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

27 (d) Not later than the March 1 following submission of the  
28 report required by AS 34.45.280, or in the case of property reported  
29 by a life insurance company, not later than the September 1 following

1 the submission of the report, the department shall mail a notice to  
2 each person whose last known address is listed in the report and who  
3 appears to be entitled to property of the value of \$50 or more pre-  
4 sumed abandoned under this chapter, and to any beneficiary of a life  
5 or endowment insurance policy or annuity contract for whom the depart-  
6 ment has a last known address.

7 (e) The mailed notice must contain

8 (1) a statement that, according to a report filed with the  
9 department, property to which the addressee appears entitled is being  
10 held;

11 (2) the name and last known address of the person holding  
12 the property and information regarding the changes of name and last  
13 known address of the holder; and

14 (3) a statement that, if satisfactory proof of claim is not  
15 presented by the owner to the holder by the date specified in the  
16 published notice, the property will be placed in the custody of the  
17 department and all further claims must be directed to the department.

18 (f) This section does not apply to money payable on traveler's  
19 checks, money orders, and other written instruments presumed abandoned  
20 under AS 34.45.140.

21 Sec. 34.45.320. PAYMENT OR DELIVERY OF ABANDONED PROPERTY. (a)

22 Except as otherwise provided in (b) and (c) of this section, a person  
23 who is required to file a report under AS 34.45.280, shall, within six  
24 months after the final date for filing the report under that section,  
25 pay or deliver to the department all abandoned property required to be  
26 reported.

27 (b) If the owner establishes the right to receive the abandoned  
28 property to the satisfaction of the holder before the property has  
29 been delivered or if it appears that the presumption of abandonment is

1 erroneous, the holder need not pay or deliver the property to the  
2 department, and the property is no longer presumed abandoned. The  
3 holder shall file with the department a verified written explanation  
4 of the proof of claim or of the error in the presumption of abandon-  
5 ment.

6 (c) Property reported under AS 34.45.280 for which the holder is  
7 not required to report the name of the apparent owner shall be de-  
8 livered to the department when the report is filed.

9 (d) The holder of an ownership interest under AS 34.45.200 shall  
10 deliver a duplicate certificate, or other evidence of ownership if the  
11 holder does not issue certificates of ownership, to the department.  
12 Upon delivery of a duplicate certificate to the department, the holder  
13 and a transfer agent, registrar, or other person acting for or on  
14 behalf of a holder in executing or delivering the duplicate certifi-  
15 cate is relieved of all liability, in accordance with the provisions  
16 of AS 34.45.330 to every person, including a person acquiring the  
17 original certificate or the duplicate of the certificate issued to the  
18 department, for loss or damage resulting to a person by the issuance  
19 and delivery to the department of the duplicate certificate.

20 Sec. 34.45.330. CUSTODY BY STATE. (a) Upon the payment or  
21 delivery of property to the department, the state assumes custody and  
22 responsibility for the safekeeping of the property. A person who pays  
23 or delivers property to the department in good faith is relieved of  
24 all liability to the extent of the value of the property paid or  
25 delivered for a claim existing at the time of the payment or delivery  
26 or that may arise or be made with respect to the property after the  
27 payment or delivery.

28 (b) A holder who has paid money to the department under AS 34.-  
29 45.110 - 34.45.430 may make payment to a person appearing to the

1 holder to be entitled to payment. Upon receiving proof of payment  
2 from the holder and proof that the payee was entitled to the payment,  
3 the department shall promptly reimburse the holder for the payment  
4 without imposing a fee or other charge. If reimbursement is sought  
5 for a payment made on a negotiable instrument, including a traveler's  
6 check or money order, the department shall reimburse the holder under  
7 this subsection when the holder files proof that the instrument was  
8 presented and that payment was made to a person who appeared to the  
9 holder to be entitled to payment. The department shall reimburse the  
10 holder for payment made under this subsection even if the holder paid  
11 a person whose claim was barred under AS 34.45.430.

12 (c) A holder who has delivered property, including a certificate  
13 of an ownership interest in a business association, other than money  
14 to the department under AS 34.45.110 - 34.45.430, may reclaim the  
15 property if it is still in the possession of the department, without  
16 payment of a fee or other charge, upon filing proof that the owner has  
17 claimed the property from the holder.

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

21 (e) If a holder pays or delivers property to the department in  
22 good faith and another person subsequently claims the property from  
23 the holder or another state claims the property under the laws of the  
24 other state relating to escheat or unclaimed property, the department,  
25 upon receiving written notice of the claim, shall defend the holder  
26 against the claim and indemnify the holder against liability on the  
27 claim.

28 (f) Property removed from a safe deposit box or other safekeep-  
29 ing repository is received by the department subject to the holder's

1 right under this subsection to be reimbursed for the actual cost of  
2 the opening and to a valid lien or contract providing for the holder  
3 to be reimbursed for unpaid rent or storage charges. For charges  
4 other than the actual cost of the opening, the department shall reim-  
5 burse or pay the holder an amount no greater than the value of the  
6 property recovered less the department's selling cost.

7 (g) For the purposes of this section, "good faith" means that

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

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

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

17 Sec. 34.45.340. CREDITING OF DIVIDENDS, INTEREST, OR INCREMENTS  
18 TO OWNER'S ACCOUNT. Except as provided under AS 34.45.360(d) for  
19 appreciation of securities, if property other than money is paid or  
20 delivered to the department under AS 34.45.110 - 34.45.430, the owner  
21 is entitled to receive from the department dividends, interest, or  
22 other increments realized or accruing on the property at or before the  
23 department's liquidation or conversion of the property into money.

24 ARTICLE 5. ADMINISTRATION OF ABANDONED PROPERTY.

25 Sec. 34.45.360. PUBLIC SALE OF ABANDONED PROPERTY. (a) Except  
26 as provided in (c) and (d) of this section, the department, within  
27 three years after receiving abandoned property, shall sell it to the  
28 highest bidder at public sale in the area of the state that the de-  
29 partment determines to be the most favorable market for the property

1 involved. The department may decline the highest bid and reoffer the  
2 property for sale if in the judgment of the department the bid is  
3 insufficient. If in the judgment of the department the probable cost  
4 of sale exceeds the value of the property, the department need not  
5 offer the property for sale. A sale held under this section shall be  
6 preceded by a single publication of notice, at least three weeks in  
7 advance of sale, in a newspaper of general circulation in the general  
8 area in which the property is to be sold.

9 (b) Securities listed on an established stock exchange must be  
10 sold at prices prevailing at the time of sale on the exchange. Other  
11 securities may be sold over the counter at prices prevailing at the  
12 time of sale or by another method the department considers advisable.

13 (c) Unless the department considers it to be in the best inter-  
14 est of the state to do otherwise, the department shall hold all secu-  
15 rities that have been delivered to the department, other than those  
16 presumed abandoned under AS 34.45.200, for at least one year before  
17 the department may sell the securities.

18 (d) Unless the department considers it to be in the best inter-  
19 est of the state to do otherwise, the department shall hold all secu-  
20 rities presumed abandoned under AS 34.45.200 and delivered to the  
21 department for at least three years before selling the securities. A  
22 person making a claim under AS 34.45.380 is entitled to receive either  
23 the securities delivered to the department by the holder, if they  
24 still remain in the hands of the department, or the proceeds received  
25 from sale, less amounts deducted under AS 34.45.380(c). A person does  
26 not have a claim under this section or AS 34.45.380 against the state,  
27 the holder, a transfer agent, a registrar, or other person acting for  
28 or on behalf of a holder for appreciation in the value of the property  
29 occurring after delivery by the holder to the department.

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

6           Sec. 34.45.370. DEPOSIT OF MONEY AND ACCOUNTING. (a) Except as  
7 otherwise provided by this section, the department shall promptly  
8 deposit in the general fund of the state all money received under  
9 AS 34.45.110 - 34.45.780, including the proceeds from the sale of  
10 abandoned property under AS 34.45.360. The department shall retain in  
11 a separate trust fund an amount not less than \$100,000 from which the  
12 department shall make prompt payment of allowed claims. Before making  
13 the deposit, the department shall record the name and last known  
14 address of each person appearing from the holders' reports to be  
15 entitled to the property and the name and last known address of each  
16 insured person or annuitant and beneficiary and, with respect to each  
17 policy or contract listed in the report of an insurance company, its  
18 number, the name of the company, and the amount due. The department  
19 shall make the record available for public inspection at all rea-  
20 sonable business hours.

21           (b) The commissioner of administration shall separately account  
22 for money that the department deposits in the general fund under (a)  
23 of this section. The annual estimated balance in the account may be  
24 used by the legislature to make appropriations to the department to  
25 carry out the department's duties under this chapter.

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

1 (b) The department shall consider each claim after it is filed  
2 and shall give written notice to the claimant if the claim is denied  
3 in whole or in part. The notice may be given by mailing it to the ad-  
4 dress, if any, stated in the claim as the address to which notices are  
5 to be sent. If an address for notices is not stated in the claim, the  
6 notice may be mailed to the address, if any, of the claimant as stated  
7 in the claim. A notice of denial need not be given if the claim  
8 states neither the address to which notices are to be sent nor the  
9 address of the claimant.

10 (c) If a claim is allowed, the department shall pay or deliver  
11 to the claimant the property or the amount the department actually  
12 received, or the net proceeds if it has been sold by the department,  
13 together with an additional amount required by AS 34.45.340. For the  
14 purposes of determining net proceeds after sale of the property, the  
15 department may deduct

16 (1) costs incurred in connection with the sale of the  
17 property;

18 (2) costs of mailing and publication in connection with the  
19 property;

20 (3) reasonable service charges; and

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

23 (d) If a claim is allowed and the property claimed was inter-  
24 est-bearing to the owner on the date of surrender by the holder, the  
25 department also shall pay interest at the rate prescribed in AS 45.-  
26 45.010 or a lesser rate the property earned while in the possession of  
27 the holder. Interest begins to accrue when the property is delivered  
28 to the department and ceases on the expiration of 10 years after  
29 delivery or the date on which payment is made to the owner, whichever

1 is earlier. The department may not pay interest on interest-bearing  
2 property for a period occurring before the effective date of this Act.

3 (e) A holder who pays the owner for property that has been  
4 delivered to the state and that, if claimed from the department, would  
5 be subject to (d) of this section shall add interest as provided in  
6 (d) of this section. The added interest shall be repaid to the holder  
7 by the commissioner in the same manner as the principal.

8 (f) Unless another state files a claim to recover the property,  
9 if the identity of the owner of the property is known, the department  
10 shall apply the fair market value of the property to satisfaction of  
11 the child support obligations of the owner.

12 Sec. 34.45.390. CLAIM OF ANOTHER STATE TO RECOVER PROPERTY. (a)  
13 After personal property has been paid or delivered to the department  
14 under this chapter another state may recover the property if

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

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

26 (3) the records of the holder were erroneous in that they  
27 did not accurately reflect the actual owner of the property and the  
28 last known address of the actual owner is in the other state and under  
29 the laws of the other state the property escheated to or was subject

1 to a claim of abandonment by the other state;

2 (4) this state took custody of the property under AS 34.-  
3 45.120(6), and, under the laws of the state of domicile of the holder,  
4 the property has escheated to or become subject to a claim of aban-  
5 donment by the state of domicile; or

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

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

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

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

27 (b) A person aggrieved by a decision or action of the department  
28 may apply to the department and request a formal hearing

29 (1) in place of the informal conference provided for in (a)

1 of this section, within 60 days after the mailing date of the depart-  
2 ment's notice to the person; or

3 (2) within 30 days after the decision resulting from an  
4 informal conference.

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

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

22 Sec. 34.45.410. ELECTION TO TAKE DELIVERY. (a) The department  
23 may decline to receive property reported under this chapter. If the  
24 department elects not to receive custody of the property, the depart-  
25 ment shall notify the holder within 120 days after the holder files  
26 the report required under AS 34.45.280.

27 (b) A holder, with the written consent of the department and  
28 upon terms prescribed by the department, may report and deliver prop-  
29 erty before the property is presumed abandoned. Property delivered

1 under this subsection shall be held by the department and is not pre-  
2 sumed abandoned until the property would otherwise be presumed aban-  
3 doned under this chapter.

4 Sec. 34.45.420. DESTRUCTION OR DISPOSITION OF PROPERTY HAVING  
5 INSUBSTANTIAL COMMERCIAL VALUE. If the department determines after  
6 investigation that property delivered under this chapter has insub-  
7 stantial commercial value, the department may destroy or otherwise  
8 dispose of the property at any time. An action or proceeding may not  
9 be maintained against the state or an officer of the state or against  
10 the holder because of an action taken by the department under this  
11 section.

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

21 ARTICLE 6. ENFORCEMENT AND PENALTIES.

22 Sec. 34.45.450. ENFORCEMENT. The department may bring an action  
23 in a court of competent jurisdiction to enforce AS 34.45.110 - 34.45.-  
24 780.

25 Sec. 34.45.460. INTERSTATE AGREEMENTS AND COOPERATION. (a) The  
26 department may enter into agreements with other states to exchange  
27 information needed to enable this or another state to audit or other-  
28 wise determine unclaimed personal property that this state or another  
29 state may be entitled to subject to a claim of custody. The

1 department may, by regulation, require the reporting of information  
2 needed to enable compliance with agreements made under this section,  
3 and prescribe the form for the report.

4 (b) To avoid conflicts between the department's procedures and  
5 the procedures in other jurisdictions that enact the Uniform Unclaimed  
6 Property Act, the department, so far as is consistent with the pur-  
7 poses, policies, and provisions of this chapter, shall, before adopt-  
8 ing, amending, or repealing regulations, advise and consult with  
9 administrators in other jurisdictions that enact, substantially, the  
10 Uniform Unclaimed Property Act, and shall take into consideration the  
11 rules of administrators in other jurisdictions that enact the Uniform  
12 Unclaimed Property Act.

13 (c) The department may join with other states to seek enforce-  
14 ment of AS 34.45.110 - 34.45.780 against a person who is or may be  
15 holding property reportable under AS 34.45.110 - 34.45.430.

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

24 (e) The department may request that the attorney general of  
25 another state, or another person, bring an action to enforce this  
26 chapter in the other state in the name of the department. This state  
27 shall pay all expenses including attorney fees in an action under this  
28 subsection. The department may agree to pay the person bringing the  
29 action attorney fees based in whole or in part on a percentage of the

1 value of property recovered in the action. Expenses paid under this  
2 subsection may not be deducted from the amount that is subject to a  
3 claim by the owner under AS 34.45.110 - 34.45.430.

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

9 (b) A person who fails to pay or deliver property or fails to  
10 perform other duties required under this chapter may be required to  
11 pay the civil penalties calculated under AS 43.05.220, on the proper-  
12 ty, or the value of the property, that the person had a duty to pay,  
13 deliver, or report to the department.

14 (c) A person who intentionally refuses after written demand by  
15 the department to pay or deliver property to the department as re-  
16 quired under this chapter is guilty of a class A misdemeanor.

17 ARTICLE 7. GENERAL PROVISIONS.

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

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

25 Sec. 34.45.720. APPLICATION. (a) AS 34.45.110 - 34.45.780 do  
26 not relieve a holder of a duty that arose before the effective date of  
27 this Act to report, pay, or deliver property. A holder who did not  
28 comply with the law in effect before the effective date of this Act is  
29 subject to the applicable enforcement and penalty provisions that

1 existed before the effective date of this Act, and the applicable  
2 enforcement and penalty provisions are continued in effect for the  
3 purpose of this subsection.

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

10 Sec. 34.45.730. REGULATIONS. The department shall adopt regu-  
11 lations necessary to carry out the provisions of AS 34.45.110 - 34.-  
12 45.780.

13 Sec. 34.45.740. UNIFORMITY OF APPLICATION AND CONSTRUCTION.  
14 AS 34.45.110 - 34.45.780 shall be applied and construed so as to  
15 effectuate their general purpose to make uniform the law with respect  
16 to unclaimed property among states enacting the Uniform Unclaimed  
17 Property Act.

18 Sec. 34.45.750. REPORT BY DEPARTMENT UPON FAILURE TO MAKE REPORT  
19 OR MAKING FALSE REPORT. If a person fails to submit a report as  
20 required under AS 34.45.110 - 34.45.780, or makes, wilfully or other-  
21 wise, a false report, the department shall make the report from the  
22 information it obtains under AS 43.05.050. A report made by the  
23 department is prima facie valid for all legal purposes.

24 Sec. 34.45.760. DEFINITIONS. In AS 34.45.110 - 34.45.780,  
25 unless the context requires otherwise,

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

29 (2) "banking organization" means a bank, trust company,

1 savings bank, industrial bank, land bank, safe deposit company, pri-  
2 vate banker, or an organization defined by other applicable laws as a  
3 bank or banking organization;

4 (3) "business association" means a nonpublic corporation,  
5 joint stock company, investment company, business trust, partnership,  
6 or association for business purposes of two or more individuals,  
7 whether or not for profit, including a banking organization, financial  
8 organization, insurance company, or utility;

9 (4) "commissioner" means the commissioner of the Department  
10 of Revenue;

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

12 (6) "domicile" means the state of incorporation of a corpo-  
13 ration and the state of the principal place of business of an unincor-  
14 porated person;

15 (7) "financial organization" means a savings and loan  
16 association, cooperative bank, building and loan association, or  
17 credit union;

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

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

21 (B) a trustee, or

22 (C) indebted to another on an obligation;

23 (9) "insurance company" means an association, corporation,  
24 fraternal or mutual benefit organization, whether or not for profit,  
25 that is engaged in providing insurance coverage, including accidental,  
26 burial, casualty, credit life, contract performance, dental, fidelity,  
27 fire, health, hospitalization, illness, life, including endowments and  
28 annuities, malpractice, marine, mortgage, surety, and wage protection  
29 insurance;

1 (10) "intangible property"  
2 (A) includes  
3 (i) money, checks, drafts, deposits, interest,  
4 dividends, and income;  
5 (ii) credit balances, customer overpayments, gift  
6 certificates, security deposits, refunds, credit memos,  
7 unpaid wages, unused airline tickets, and unidentified  
8 remittances;  
9 (iii) stocks and other intangible ownership inter-  
10 ests in business associations;  
11 (iv) money deposited to redeem stocks, bonds,  
12 coupons, and other securities, or to make distributions;  
13 (v) amounts due and payable under the terms of  
14 insurance policies; and  
15 (vi) amounts distributable from a trust or custo-  
16 dial fund established under a plan to provide health, wel-  
17 fare, pension, vacation, severance, retirement, death, stock  
18 purchase, profit-sharing, employee savings, supplemental  
19 unemployment insurance, or similar benefits;  
20 (B) does not include shares of stock issued by a  
21 corporation organized under 43 U.S.C. 1601 - 1629a (Alaska Native  
22 Claims Settlement Act) or to unclaimed dividends payable on the  
23 shares of stock;  
24 (11) "last known address" means a description of the lo-  
25 cation of the apparent owner sufficient for the purpose of the deliv-  
26 ery of mail;  
27 (12) "owner" means a depositor in the case of a deposit, a  
28 beneficiary in the case of a trust other than a deposit in trust, a  
29 creditor, claimant, or payee in the case of other intangible property,

1 or a person having a legal or equitable interest in property subject  
2 to AS 34.45.110 - 34.45.780; the term includes a person's legal rep-  
3 resentative;

4 (13) "person" means an individual, business association,  
5 state, municipality or other government, including the United States  
6 government, subdivision or agency, public corporation, public authori-  
7 ty, estate, trust, two or more persons having a joint or common inter-  
8 est, or other legal or commercial entity;

9 (14) "property" means personal property;

10 (15) "state" means a state, district, commonwealth, terri-  
11 tory, insular possession, or other area subject to the legislative  
12 authority of the United States;

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

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

20 \* Sec. 12. AS 38.95 is amended by adding new sections to read:

21 ARTICLE 5. REAL PROPERTY ESCHEATED TO STATE.

22 Sec. 38.95.200. REAL PROPERTY SUBJECT TO ESCHEAT. (a) Real  
23 property in an intestate estate for which no taker can be found and  
24 real property devised by will for which no devisee, heir, or other  
25 claimant can be found escheats to the state.

26 (b) Real property of a defunct organization or corporation, for  
27 which no proceeding for distribution instituted has been instituted  
28 within four years after the organization becomes defunct, escheats to  
29 the state.

1           Sec. 38.95.210. ENFORCEMENT OF RIGHTS BY DEPARTMENT. (a) When  
2 the Department of Natural Resources is informed or has reason to  
3 believe that real property has escheated to the state, the department  
4 shall bring an action in superior court to establish whether the  
5 property has escheated to the state.

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

9           Sec. 38.95.220. JUDGMENT OF ESCHEAT. (a) If the superior court  
10 determines that the real property has escheated to the state, the  
11 superior court shall issue a judgment of escheat.

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

14           Sec. 38.95.230. MANAGEMENT OF ESCHEATED REAL PROPERTY BY DEPART-  
15 MENT. (a) After a judgment of escheat under AS 38.95.220, the de-  
16 partment may sell, lease, exchange, assign, or otherwise manage real  
17 property that has escheated to the state. In determining the proper  
18 disposition of escheated real property the department shall, within  
19 two years after the judgment of escheat under AS 38.95.220, make a  
20 written finding that it is in the best interests of the state either  
21 to

22           (1) obtain an appraisal of the fair market value of the  
23 real property and sell, lease, exchange, assign, or otherwise manage  
24 the property, including retention in state management; or

25           (2) retain the real property in state management without  
26 obtaining an appraisal.

27           (b) The appraised value of property handled under (a)(1) of this  
28 section, or the selling price from a sale under AS 38.05.055 if it is  
29 lower, less the expenses of sale or appraisal, is the established

1 value of the property for purposes of redemption by an heir or other  
2 taker under AS 38.95.240(c).

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

6 Sec. 38.95.240. TIME WITHIN WHICH TO CLAIM ESCHEATED REAL PROP-  
7 ERTY. (a) Within seven years after a judgment of escheat under  
8 AS 38.95.220, a person who is not a party to the escheat proceeding  
9 may bring an action in the superior court to prove the person's claim  
10 to the real property. If the plaintiff establishes the claim and  
11 establishes that the plaintiff had no knowledge of the prior escheat  
12 proceeding, the court shall award the plaintiff the property if it has  
13 been managed under AS 38.95.230(a)(2), or the appraised value of the  
14 property under AS 38.95.230(b) if the property has been managed under  
15 AS 38.95.230(a)(1).

16 (b) If it is determined that the plaintiff is entitled to the  
17 property, the department shall deliver the property to the plaintiff.  
18 The rents, profits, interest, or dividends that accrue to the state  
19 during its possession of the property are the property of the state  
20 and may not be recovered.

21 (c) If it is determined that the plaintiff is entitled to the  
22 appraised value of property that has been disposed of under AS 38.-  
23 95.230(a)(1), at the department's discretion it may offer to the  
24 plaintiff land owned by the state and available for disposal that is  
25 of comparable value to the appraised value under AS 38.95.230(a)(1).  
26 If the department does not offer land of comparable value, or if the  
27 plaintiff refuses the department's offer, the plaintiff is entitled to  
28 the established value of the property under AS 38.95.230(b).

29 (d) The time limitation of seven years does not apply to a minor

1 or an incapacitated person as defined by AS 13.26.005, but such a  
2 person must bring an action to prove the person's claim to the real  
3 property within one year after the incapacity ceases.

4 (e) This section does not prevent the state from transferring  
5 escheated real property to a person who provides proof satisfactory to  
6 the department that the person is the owner of the real property when  
7 the department determines the transfer to be appropriate.

8 Sec. 38.95.250. PROCEEDS OF SALE OR REDEMPTION. The department  
9 shall deposit the proceeds of real property sold under AS 38.95.230-  
10 (a)(1) less the expenses of sale, including attorney fees and ap-  
11 praisal and publication costs in an escheated real property trust  
12 account. The department shall maintain the proceeds in the account  
13 for a period of at least seven years after the date of the judgment of  
14 escheat. The department may use money in the trust account to pay  
15 claims made under AS 38.95.240.

16 Sec. 38.95.260. 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 under AS 38.-  
21 04.022, unless a person who was the owner or one of the owners of the  
22 property when the property escheated to the state has outstanding  
23 child support obligations, in which case the proportion of the net  
24 proceeds that is attributable to the ownership interest of the person  
25 shall be applied to the satisfaction of the child support obligations  
26 and the balance remaining after the satisfaction shall be credited to  
27 the land disposal income account.

28 Sec. 38.95.270. DEFINITION. In AS 38.95.200 - 38.95.270, "de-  
29 partment" means the Department of Natural Resources.

1 \* Sec. 13. AS 47.30.895(a) is amended to read:

2 (a) Those unclaimed articles [ARTICLES] of personal property  
3 that are covered by AS 34.45.110 - 34.45.260 and the unclaimed money  
4 in the custody of a treatment facility that belong to a patient who  
5 dies before discharge, or to a patient who leaves the hospital without  
6 authority, if unclaimed by the patient or the legal heirs or represen-  
7 tatives of the patient within one year after the patient's death or  
8 departure, shall be disposed of in accordance with AS 34.45.110 -  
9 34.45.780, and the other articles of the patient's personal property  
10 shall be disposed of in the manner prescribed by the department and  
11 the proceeds [SHALL BE] deposited in the general fund [STATE TREA-  
12 SURY].

13 \* Sec. 14. AS 06.05.460; AS 09.50.070 - 09.50.160; AS 10.05.591; and  
14 AS 34.45.090 are repealed.

15 \* Sec. 15. The Uniform Unclaimed Property Act, enacted in sec. 11 of  
16 this Act, does not apply to personal property already delivered to the  
17 state or already the subject of escheat proceedings before the effective  
18 date of this Act.