

LEG. FINANCE - BILLS 1977 - 1978 892

SB 78 thru SB 79



RECORDS CERTIFICATION



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Signature of Camera Operator



Date

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SB 77
 Title An Act relating to the disposal of surplus fish
 Requested by Office of the Governor Date 1/6/77

II. FISCAL DETAIL
 Agency Affected Fish and Game
 Program Category Affected TRAC
 Budget Request Unit(s) Affected Commercial Fish, Management Component

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		23.6	17.6	28.2	28.2	28.2
200 TRAVEL		1.5	1.5	2.0	2.0	2.0
300 CONTRACTUAL		6.5	6.0	10.0	10.0	10.0
400 COMMODITIES		-	-	-	-	-
500 EQUIPMENT		1.5	1.5	2.0	2.0	2.0
600 LAND & STRUCTURES		-	-	-	-	-
700 GRANTS, CLAIMS, ETC.		-	-	-	-	-
TOTAL		33.1	26.6	42.2	42.2	42.2

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND		33.1	26.6	42.2	42.2	42.2
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME						
PART TIME						
TEMPORARY		15 mos	12 mos	20 mos	20 mos	20 mos

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
 Returns of surplus salmon to the N.R.F.S. facility at Little Port Walter (Baranof Island) and to the Hatchery Services facility near Petersburg have occurred in recent years, and harvestable returns to several F.R.E.D. Division facilities are anticipated to occur in 1977. With additional F.R.E.D. facilities being planned and built, more surplus fish are expected in the future.

Budgetary needs include costs associated with development and computer programming for lottery system (personal services--\$6.0) and actual operational costs (contractual--\$1.5 first year, \$1.0 thereafter). Local area management and research responsibilities associated with sampling and monitoring for hatchery returns and managing the fishery on segregated surplus hatchery fish will require an additional 12 man-months of temporary fishery technician III time (3 positions--\$17.6) with support (travel--\$1.5; contractual--\$5.0; equipment--\$1.5) increasing to 20 man-months of temporary time (\$28.2) with support (total--\$12.0) as more salmon hatcheries produce surplus returns in FY 1980.

IV. DATE 1/6/77 PREPARED BY Sandra Lindstrom
 AGENCY Fish and Game
 PHONE 465-4219
 Original Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

13 78

January 25, 1977

The Honorable John L. Kader
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(h) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to the disposal of surplus fish.

The advent of aquaculture facilities has led to some unusual situations with respect to management and harvest of fisheries resources. It is, of course, critical that a hatchery or other facility obtain sufficient returns to permit maintenance or expansion of the broodstock. However, the present state of aquaculture technology does not always allow for accurate forecasts of the numbers of returning fish, and hatchery operators may be suddenly confronted with an unexpected surplus. Where an excess is anticipated, conventional fisheries may fail to harvest all of those which may safely be taken, or the complexities caused by mixtures of multiple species of wild and artificial stocks may render a conventional fishery inadvisable. As a result, government hatchery operators occasionally have a surplus of salmon which have survived the open season, which far surpasses the needs of the hatchery, and which have inadequate room to successfully engage in natural spawning. By this point, the fish are usually milling in a confined area; thus, either unusual harvesting measures must be employed or the salmon is wasted.

The necessary solution frequently requires that the surplus fish be harvested by less than the total number of vessels which would be eligible to fish were the season opened. At present, however, AS 16 contains inadequate authority for such a procedure. Special fisheries for surplus fish should be accomplished

through an impartial process which recognizes considerations affecting various interest groups. Concurrently, there must be an assurance that this procedure is limited to situations where it is genuinely warranted and that it protects against the employment of favoritism by government officials on behalf of particular individuals. We offer this bill as a proposed solution.

Section 100(a) would establish the circumstances under which surplus fish could be disposed of under a special fishery. The prerequisites are (1) the impracticality of a conventional fishery, (2) the ability to segregate wild from hatchery fish, and (3) a guarantee that hatchery needs will be met. Only surplus runs to a government hatchery are included, since the provisions governing private nonprofit hatcheries (AS 16.10.400 et seq.) contain adequate authority for harvesting all artificially propagated salmon.

Section 100(b) would set out the procedure for disposing of surplus fish. In the case of a commercial fishery, fish would be harvested through either a lottery or a bidding system; in the latter case, proceeds from the sale would be deposited in the general fund to help defray the cost of aquaculture facilities. If sport or subsistence fisheries are involved, either a lottery or a permit system could be used.

The remaining subsections would add further provisions necessary for workability. Section 100(d) would provide for allocations between commercial, sport, and subsistence users in conjunction with a surplus fishery. Also important is the inclusion of the Board of Fisheries in the overall process. Finally, the department would be authorized to harvest and distribute surplus fish if a public fishery were impractical due to lack of space or other problems; this is presently done in places such as Auke Creek in Juneau, with the distribution accomplished through the issuance of permits.

Sincerely,

Jay S. Hammond
Governor

Introduced: 1/25/77
Referred: Resources and Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 78

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the disposal of surplus fish."

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

8 * Section 1. AS 16.40 is amended by adding a new section to read:

9 ARTICLE 2. SURPLUS FISH.

10 Sec. 16.40.100. DISPOSAL OF SURPLUS FISH. (a) Fish produced by
11 an aquaculture facility operated by the state or the federal govern-
12 ment and returning to the vicinity of the facility may be declared
13 surplus by the commissioner and disposed of in accordance with the
14 procedures set out in this section if the commissioner determines
15 that:

16 (1) the fish cannot be harvested through a conventional
17 fishery using all vessels and fishermen lawfully qualified to partici-
18 pate in it without unacceptable consequences, such as the possibility
19 of property damage from congestion or the inability to properly control
20 the harvest level;

21 (2) the fish are reasonably segregated from wild fish so
22 that any incidental catch of wild fish will be limited and sustained
23 yield management of wild stocks will not be prejudiced; and

24 (3) harvesting the fish will not preclude satisfying of the
25 operating requirements of the aquaculture facility.

26 (b) Disposal of surplus fish among commercial fishermen shall be
27 accomplished through one of the following methods:

28 (1) a lottery, whereby a workable number of vessels are
29 impartially selected from among those currently qualified under

1 applicable laws and regulations to engage in commercial fishing in the
2 area where the fish are to be harvested; or

3 (2) a bidding system, whereby the most favorable bid is
4 selected from those submitted after an invitation to bid is advertised
5 in a newspaper of general circulation, with the proceeds from the sale
6 deposited in the general fund.

7 (c) Allocation of surplus fish among sport fishermen or subsis-
8 tence fishermen, which is necessary to restrict the number of partici-
9 pants, shall be carried out through a lottery, permit system, or other
10 impartial method.

11 (d) Allocation of stocks of surplus fish among commercial,
12 sport, and subsistence fishermen may be based on existing, antici-
13 pated, or desired use patterns, modified by considerations of practi-
14 cality.

15 (e) The commissioner may, in conjunction with the harvest of
16 surplus fish under this section, impose such terms and conditions as
17 he considers necessary upon the vessels and participants. The commis-
18 sioner may also establish the necessary procedures to carry out this
19 section. Any person who violates a term, condition, or procedure
20 authorized by this subsection is guilty of a misdemeanor, and is
21 punishable by a fine of not more than \$10,000 or by imprisonment for
22 not more than six months, or both.

23 (f) Before conducting a surplus fishery, the commissioner shall
24 obtain the advice of members of the Board of Fisheries if practicable
25 within the time available to act.

26 (g) Declaration of a surplus fishery by the commissioner shall
27 be accompanied by a public announcement. After the announcement, the
28 commissioner may conduct the fishery in accordance with this section
29 notwithstanding regulations of the Board of Fisheries governing con-
30

1 ventional fisheries.

2 (h) In carrying out (b) of this section, the commissioner may
3 restrict the list of vessels and participants to particular gear types
4 if necessary to implement the purposes of this section.

5 (i) Where conditions render impractical the harvesting of surplus
6 fish through a public fishery, the fish may be harvested by the depart-
7 ment and distributed to the public or to a charitable organization in
8 a manner determined by the commissioner.

9 (j) As used in this section,

10 (1) "aquaculture facility" means any facility which results
11 in the production of fish by artificial propagation, including hatche-
12 ries, gravel incubators, spawning channels, and saltwater pens.

13 (2) "commissioner" means the commissioner of fish and game.

Original sponsor: The Rules Committee by
request of the Governor

Offered: 3/3/77
Referred: Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 78

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4 TENTH LEGISLATURE - FIRST SESSION

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14 out in this section if the commissioner determines that:

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16 fishery using all vessels and fishermen lawfully qualified to partici-
17 pate in it without unacceptable consequences, such as the possibility of
18 property damage from congestion or the inability to properly control the
19 harvest level;

20 (2) the fish are reasonably segregated from wild fish so that
21 any incidental catch of wild fish will be limited and sustained yield
22 management of wild stocks will not be prejudiced; and

23 (3) harvesting the fish will not preclude satisfying the
24 operating requirements of the aquaculture facility.

25 (b) Disposal of surplus fish among commercial fishermen shall be
26 accomplished through one of the following methods:

27 (1) a lottery whereby a workable number of vessels are in-
28 partially selected from among those currently qualified under applicable
29 laws and regulations to engage in commercial fishing in the area where

1 the fish are to be harvested; or

2 (2) if a lottery is impractical, a bidding system whereby the
3 most favorable bid is selected from those submitted after an invitation
4 to bid is advertised in a newspaper of general circulation, with the
5 proceeds from the sale deposited in the general fund; bids may be sub-
6 mitted only by those currently qualified under applicable laws and
7 regulations to engage in commercial fishing in the area where the fish
8 are to be harvested.

9 (c) Allocation of surplus fish among sport fishermen or subsis-
10 tence fishermen, which results in the restriction of the number of par-
11 ticipants, shall be carried out through a lottery, permit system, or
12 other impartial method.

13 (d) Allocation of stocks of surplus fish among commercial, sport,
14 and subsistence fishermen may be based on existing, anticipated, or
15 desired use patterns, modified by considerations of practicality.

16 (e) The Board of Fisheries may, in conjunction with the harvest of
17 surplus fish under this section, impose such terms and conditions as it
18 considers necessary upon the vessels and participants. The Board of
19 Fisheries may also establish the necessary procedures to carry out this
20 section. Any person who violates a term, condition, or procedure
21 authorized by this subsection is guilty of a misdemeanor and upon con-
22 viction is punishable by a fine of not more than \$10,000, or by im-
23 prisonment for not more than six months, or by both.

24 (f) Before conducting a surplus fishery, the commissioner shall
25 obtain the advice of members of the Board of Fisheries if practicable
26 within the time available to act.

27 (g) Declaration of a surplus fishery by the commissioner shall be
28 accompanied by a public announcement. After the announcement, the
29 commissioner may conduct the fishery in accordance with this section

1 notwithstanding regulations of the Board of Fisheries governing con-
2 ventional fisheries.

3 (h) In carrying out (b) of this section, the Board of Fisheries
4 may restrict participants to particular gear types if necessary to
5 implement the purposes of this section.

6 (i) When conditions render impractical the harvesting of surplus
7 fish through a public fishery, the fish may be harvested by the depart-
8 ment and distributed to the public or to a charitable organization in a
9 manner determined by the commissioner.

10 (j) Surplus fish harvested under this section and sold for human
11 consumption shall be of comparable quality to fish harvested by commer-
12 cial fisheries in the area, and shall be sold at prices commensurate
13 with the current market.

14 (k) As used in this section,

15 (1) "aquaculture facility" means any facility which results
16 in the production of fish by artificial propagation, including hatcher-
17 ies, gravel incubators, spawning channels, and saltwater pens;

18 (2) "commissioner" means the commissioner of fish and game.

19 * Sec. 2. AS 16.05.680(3) is amended to read

20 (3) to purchase fish from an association which is not exempt
21 under sec. 662 of this chapter or AS 16.10.450.

COMMITTEE REPORT
SENATE

3/3/77

_____ Date

Mr. President:

The Committee on FINANCE has had SB 78
disposal of surplus fish under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that
CS for _____ do pass
- (and) recommends it be referred to the _____
committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____
_____ recommends: _____
_____ recommends: _____

_____ Chairman

COMMITTEE REPORT

SENATE ****Finance**

1/25/77

2/28/77 ^{9/3} Date

Mr. President:

The Committee on RESOURCES has had SB 78
disposal of surplus fish
under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for SB 78 ^{same title} and that
CS for SB 78 do pass
- (and) recommends it be referred to the _____
committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

Tillion _____

John Huber _____

MELAND _____

Jim Buttrick _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

R. Polans
Chairman
D. P. ...

Original sponsor: The Rules Committee by
request of the Governor

Offered: 3/3/77
Referred: Finance

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COMMITTEE COPY

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Introduced: 1/25/77
Referred: Resources and Finance

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IV. DATE 1/6/77 PREPARED BY Sandra Lindstrom
AGENCY Fish and Game
PHONE 465-4210
Original Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

January 25, 1977

The Honorable John L. Rader
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

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through an impartial process which recognizes considerations affecting various interest groups. Concurrently, there must be an assurance that this procedure is limited to situations where it is genuinely warranted and that it protects against the employment of favoritism by government officials on behalf of particular individuals. We offer this bill as a proposed solution.

Section 100(a) would establish the circumstances under which surplus fish could be disposed of under a special fishery. The prerequisites are (1) the impracticality of a conventional fishery, (2) the ability to segregate wild from hatchery fish, and (3) a guarantee that hatchery needs will be met. Only surplus runs to a government hatchery are included, since the provisions governing private nonprofit hatcheries (AS 16.10.400 et seq.) contain adequate authority for harvesting all artificially propagated salmon.

Section 100(b) would set out the procedure for disposing of surplus fish. In the case of a commercial fishery, fish would be harvested through either a lottery or a bidding system; in the latter case, proceeds from the sale would be deposited in the general fund to help defray the cost of aquaculture facilities. If sport or subsistence fisheries are involved, either a lottery or a permit system could be used.

The remaining subsections would add further provisions necessary for workability. Section 100(d) would provide for allocations between commercial, sport, and subsistence users in conjunction with a surplus fishery. Also important is the inclusion of the Board of Fisheries in the overall process. Finally, the department would be authorized to harvest and distribute surplus fish if a public fishery were impractical due to lack of space or other problems; this is presently done in places such as Auke Creek in Juneau, with the distribution accomplished through the issuance of permits.

Sincerely,

Jay S. Hammond
Governor

ALASKA STATE LEGISLATURE

TENTH Legislature FIRST Session

SENATE BILL NO. 78

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act relating to the disposal of surplus fish."

Disposal of surplus fish

Introduced in the Senate 1/25/77

HISTORY IN THE SENATE

19	77	Read first time and referred to Committee on
1	25	Resources and Finance
3	3	Reported back with recommendation that <i>as amended</i>
		Read second time and
		Read third time and
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reconsideration
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reported correctly engrossed
		Signed by President
		Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	Read first time and referred to Committee on
	Reported back with recommendation that
	Read second time and
	Read third time and
	PASS Effective Date
	Yeas Yeas
	Nays Nays
	Absent Absent
	Excused Excused
	Reconsideration
	PASS Effective Date
	Yeas Yeas
	Nays Nays
	Absent Absent
	Excused Excused
	Reported correctly engrossed
	Signed by Speaker
	Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	Received from House
	Reported correctly enrolled
	Sent to Governor
	By Governor
	Filed with U.S. Governor
	Chapter No.



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James A. Smith
Signature of Camera Operator

2/26/90
Date

COMMITTEE REPORT

SENATE

5/18/77

_____ Date

Mr. President:

The Committee on Finance has had SB 79
Uniform Disposition of Unclaimed Property Act
under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that
CS for _____ do pass
- (and) recommends it be referred to the _____
committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____
_____ recommends: _____
_____ recommends: _____

Chairman

COMMITTEE REPORT

SENATE

**Finance

1/25/77

5-17-77

Date

Mr. President:

The Committee on JUDICIARY has had SB 79

Uniform Disposition of Unclaimed Property Act

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that CS for _____ do pass

(and) recommends it be referred to the _____ committee

reports it back without recommendation; *without recommendations*

AND attaches a report of his intent

(other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

1	<u>Hale</u>	<u>ll</u>	<u>ll</u>
1	<u>3 Miller</u>	"	"
1	<u>Phillion</u>	"	"
1	<u>PATRICK ROOY</u>	"	"

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

1 King Chairman

79

Introduced: 1/25/77
Referred: Judiciary and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 79

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Uniform Disposition of Unclaim-
7 ed Property Act; and providing for an effective date."

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

9 * Section 1. AS 09 is amended by adding a new chapter to read:

10 CHAPTER 51. UNCLAIMED PROPERTY.

11 Sec. 09.51.010. PROPERTY HELD BY BANKING OR FINANCIAL ORGANIZA-
12 TIONS OR BY BUSINESS ASSOCIATIONS. The following property held or
13 owed by a banking or financial organization or by a business association
14 is presumed abandoned:

15 (1) a demand, savings, or matured time deposit made in the
16 state with a banking organization, together with interest or dividend,
17 excluding charges that may lawfully be withheld, unless the owner has,
18 within seven years:

19 (A) increased or decreased the amount of the deposit,
20 or presented the passbook or other similar evidence of this
21 deposit for the crediting of interest; or

22 (B) corresponded in writing with the banking organi-
23 zation concerning the deposit; or

24 (C) otherwise indicated an interest in the deposit as
25 evidenced by a memorandum on file with the banking organization;

26 (2) funds paid in this state toward the purchase of shares
27 or other interest in a financial organization or deposit made with it
28 in the state, and interest or dividends excluding charges that may
29 lawfully be withheld, unless the owner has within seven years:

1 (A) increased or decreased the amount of the funds or
2 deposit, or presented an appropriate record for the crediting of
3 interest or dividends; or

4 (B) corresponded in writing with the financial organi-
5 zation concerning the funds or deposit; or

6 (C) otherwise indicated an interest in the funds or
7 deposit as evidenced by a memorandum on file with the financial
8 organization;

9 (3) a sum payable on a check certified in this state or on
10 a written instrument issued in the state on which a banking or financial
11 organization or business association is directly liable, including but
12 not limited to, a certificate of deposit, draft, money order, and
13 traveler's check, which, with the exception of a traveler's check, has
14 been outstanding for more than seven years from the date of its
15 issuance if payable on demand, or, in the case of a traveler's check,
16 which has been outstanding for more than 15 years from the date of its
17 issuance, unless the owner has within seven years, or within 15 years
18 in the case of a traveler's check, corresponded in writing with the
19 banking or financial organization or business association concerning
20 it, or otherwise indicated an interest as evidenced by a memorandum on
21 file with the banking or financial organization or business association;

22 (4) funds or other personal property, tangible or intangible,
23 removed from a safe deposit box or other safekeeping repository or
24 agency or collateral deposit box in the state on which the lease or
25 rental period has expired due to nonpayment of rental charges or other
26 reason, or a surplus amount arising from the sale of the property
27 according to law that has been unclaimed by the owner for more than
28 seven years from the date on which the lease or rental period expired.

29 Sec. 09.51.020. UNCLAIMED FUNDS HELD BY LIFE INSURANCE CORPORA-

1 TIONS. (a) Unclaimed funds, as defined in this section, held and
2 owed by a life insurance corporation are presumed abandoned to this
3 state if, according to the records of the corporation, the last known
4 address of the person entitled to the funds is within the state. If a
5 person other than the insured or annuitant is entitled to the funds
6 and the address of the person is not known to the corporation or if it
7 is not definite and certain from the records of the corporation what
8 person is entitled to the funds, it is presumed that the last known
9 address of the person entitled to the funds is the same as the last
10 known address of the insured or annuitant according to the records of
11 the corporation.

12 (b) "Unclaimed funds", as used in this section, means money held
13 and owed by a life insurance corporation which is unclaimed and unpaid
14 for more than seven years after the money became due and payable as
15 established from the records of the corporation under a life or endow-
16 ment insurance policy or annuity contract which has matured or termi-
17 nated. A life insurance policy not matured by actual proof of the
18 death of the insured is considered to be matured and the proceeds of
19 it are considered to be due and payable if the policy was in force
20 when the insured attained the limiting age under the mortality table
21 on which the reserve is based, unless the person appearing entitled
22 to the proceeds has within the preceding seven years: (1) assigned,
23 readjusted, or paid premiums on the policy, or subjected the policy to
24 loan; or (2) corresponded in writing with the life insurance corporation
25 concerning the policy. Money otherwise payable according to the
26 records of the corporation is considered to be due and payable although
27 the policy or contract has not been surrendered as required.

28 Sec. 09.51.030. DEPOSITS AND REFUNDS HELD BY UTILITIES. The
29 following funds held or owed by a utility are presumed abandoned:

1 (1) a deposit made by a subscriber with a utility to secure
2 payment for, or a sum paid in advance for, utility services to be
3 furnished in this state, less any lawful deductions, that has remained
4 unclaimed by the person appearing on the records of the utility as
5 entitled to the deposit or advance payment for more than seven years
6 after the termination of the services for which the deposit or advance
7 payment was made;

8 (2) a sum received for utility services provided in this
9 state, which a utility has been ordered to refund, together with
10 interest on the sum, less lawful deductions, that has remained un-
11 claimed by the person appearing on the records of the utility as
12 entitled to the refund for more than seven years after the date it
13 became payable in accordance with the final determination or order
14 providing for the refund.

15 Sec. 09.51.040. UNDISTRIBUTED DIVIDENDS AND DISTRIBUTION OF
16 BUSINESS ASSOCIATIONS. A stock or other certificate of ownership, or
17 a dividend, profit, distribution, interest, payment on principal, or
18 other sum held or owed by a business association for or to a share-
19 holder, certificate holder, member, bondholder, or other security
20 holder, or a participating patron of a cooperative, who has not claimed
21 it, or corresponded in writing with the business association concerning
22 it, within seven years after the date prescribed for payment or do-
23 livery, is presumed abandoned if:

24 (1) it is held or owed by a business association organized
25 under the laws of or created in this state; or

26 (2) it is held or owed by a business association doing
27 business in this state, but not organized under the laws of or created
28 in this state, and the records of the business association indicate
29 that the last known address of the person entitled to it is in this

1 state.

2 Sec. 09.51.050. PROPERTY OF BUSINESS ASSOCIATIONS AND BANKING OR
3 FINANCIAL ORGANIZATIONS HELD IN COURSE OF DISSOLUTION. Intangible
4 personal property distributable in the course of a voluntary dissolution
5 of a business association, banking organization, or financial organiza-
6 tion organized under the laws of or created in this state, which is
7 unclaimed by the owner within two years after the date for final dis-
8 tribution, is presumed abandoned.

9 Sec. 09.51.060. PROPERTY HELD BY FIDUCIARIES. Intangible personal
10 property and income or increment on the property, held in a fiduciary
11 capacity for the benefit of another person is presumed abandoned
12 unless the owner has, within seven years after it becomes payable or
13 distributable, increased or decreased the principal, accepted payment
14 of principal or income, corresponded in writing concerning the property,
15 or otherwise indicated an interest as evidenced by a memorandum on
16 file with the fiduciary:

17 (1) if the property is held by a banking organization or a
18 financial organization, or by a business association organized under
19 the laws of or created in this state; or

20 (2) if it is held by a business association, doing business
21 in this state, but not organized under the laws of or created in this
22 state, and the records of the business association indicate that the
23 last known address of the person entitled to the property is in this
24 state; or

25 (3) if it is held in this state by any other person.

26 Sec. 09.51.070. PROPERTY HELD BY STATE COURTS AND PUBLIC OFFICERS
27 AND AGENCIES. Intangible personal property held for the owner by a
28 court, public corporation, public authority, or public officer of this
29 state, or a political subdivision of this state, which has remained

1 unclaimed by the owner for more than seven years, is presumed abandoned.

2 Sec. 09.51.080. MISCELLANEOUS PERSONAL PROPERTY HELD FOR ANOTHER
3 PERSON. Intangible personal property, not otherwise covered by this
4 chapter, including income from or increment to the property and deduct-
5 ing any lawful charges, which is held or owed in this state in the
6 ordinary course of the holder's business and has remained unclaimed by
7 the owner for more than seven years after it became payable or distri-
8 butable, is presumed abandoned.

9 Sec. 09.51.090. RECIPROCITY FOR PROPERTY PRESUMED ABANDONED OR
10 ESCHEATED UNDER THE LAWS OF ANOTHER STATE. If specific property which
11 is subject to the provisions of secs. 10 - 80 of this chapter is held
12 for or owed by or distributable to an owner whose last known address
13 is in another state by a holder who is subject to the jurisdiction of
14 that state, the specific property is not presumed abandoned in this
15 state and subject to this chapter if:

16 (1) it may be claimed as abandoned or escheated under the
17 laws of the other state; and

18 (2) the laws of the other state make reciprocal provision
19 that similar specific property is not presumed abandoned or escheat-
20 able by the other state when held for or owed by or distributable to
21 an owner whose last known address is within this state by a holder who
22 is subject to the jurisdiction of this state.

23 Sec. 09.51.100. REPORT OF ABANDONED PROPERTY. (a) Each person
24 holding funds or other property, tangible or intangible, presumed
25 abandoned under this chapter shall report to the commissioner of
26 revenue with respect to the property as provided in (b) of this section.

27 (b) The report required by (a) must be verified and include:

28 (1) except in the case of traveler's checks and money
29 orders, the name, if known, and last known address, if any, of each

1 person from the records of the holder appearing to be the owner of pro-
2 perty of the value of \$10 or more presumed abandoned under this chapter;

3 (2) in case of unclaimed funds of life insurance corpora-
4 tions, the full name of the insured or annuitant and his last known
5 address according to the life insurance corporation's records;

6 (3) the nature and identifying number, if any, or descrip-
7 tion of the property and the amount appearing from the records to be
8 due, except that items of value under \$10 each may be reported in the
9 aggregate;

10 (4) the date when the property became payable, demandable,
11 or returnable, and the date of the last transaction with the owner
12 with respect to the property; and

13 (5) other information which the commissioner may require by
14 regulation as necessary for the administration of this chapter.

15 (c) If the person holding property presumed abandoned is a
16 successor to other persons who previously held the property for the
17 owner, or if the holder has changed his name while holding the pro-
18 perty, he shall file with his report all previously known names and
19 addresses of each holder of the property.

20 (d) The report must be filed before September 1 of each year.
21 The commissioner may postpone the reporting date upon written request
22 by any person required to file a report.

23 (e) If the holder of property presumed abandoned under this
24 chapter knows the location of the owner and if the owner's claim has
25 not been barred by the statute of limitations, the holder shall,
26 before filing the annual report, communicate with the owner and take
27 necessary steps to prevent abandonment from being presumed. The
28 holder shall exercise due diligence to ascertain the location of the
29 owner.

1 (f) Verification, if made by a partnership, must be executed by
2 a partner; if made by an unincorporated association or private corpora-
3 tion, by an officer; and if made by a public corporation, by its chief
4 fiscal officer.

5 (g) The initial report filed under this chapter must include all
6 items of property that would have been presumed abandoned if this
7 chapter had been in effect during the 10 year period preceding its
8 effective date.

9 Sec. 09.51.110. NOTICE AND PUBLICATION OF LISTS OF ABANDONED
10 PROPERTY. (a) Within 120 days after the filing of the report required
11 by sec. 100 of this chapter, the commissioner shall have notice publish-
12 ed at least once each week for two successive weeks in a newspaper of
13 general circulation in the judicial district in this state in which is
14 located the last known address of any person named in the notice. If
15 no address is listed or if the address is outside this state, the
16 notice must be published in the judicial district in which the holder
17 of the abandoned property has his principal place of business within
18 this state.

19 (b) The published notice shall be entitled "notice of names of
20 persons appearing to be owners of abandoned property," and shall
21 contain:

22 (1) the names in alphabetical order and last known addresses,
23 if any, of persons listed in the report and entitled to notice within
24 the judicial district as specified in (a) of this section;

25 (2) a statement that information concerning the amount or
26 description of the property and the name and address of the holder may
27 be obtained by any persons possessing an interest in the property by
28 addressing an inquiry to the commissioner;

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

1 the owner to the holder and if the owner's right to receive the property
2 is not established to the holder's satisfaction within 65 days after the
3 date of the second published notice, the abandoned property will be
4 placed not later than 85 days after the publication date in the custody
5 of the commissioner to whom all further claims must be directed.

6 (c) The commissioner is not required to publish in the notice an
7 item of less than \$25 unless he considers publication to be in the
8 public interest.

9 (d) Within 120 days after the receipt of the report required by
10 sec. 100 of this chapter, the commissioner shall mail a notice to each
11 person having an address listed in the report who appears to be entitl-
12 ed to property of the value of \$25 or more presumed abandoned under
13 this chapter.

14 (e) The mailed notice must contain:

15 (1) a statement that, according to a report filed with the
16 commissioner, property is being held to which the addressee appears
17 entitled;

18 (2) the name and address of the person holding the property
19 and necessary information regarding changes of name and address of the
20 holder;

21 (3) a statement that, if satisfactory proof of claim is not
22 presented by the owner to the holder by the date specified in the
23 published notice, the property will be placed in the custody of the
24 commissioner to whom all further claims must be directed.

25 (f) This section is not applicable to sums payable on traveler's
26 checks or money orders presumed abandoned under sec. 10 of this chapter.

27 Sec. 09.51.120. PAYMENT OR DELIVERY OF ABANDONED PROPERTY. A
28 person who has filed a report under sec. 100 of this chapter, within
29 20 days after the time specified in sec. 110 of this chapter, for

1 claiming the property from the holder, or in the case of sums payable
2 on traveler's checks or money orders presumed abandoned under sec.
3 10 of this chapter, within 20 days after the filing of the report,
4 shall pay or deliver to the commissioner all abandoned property specified
5 in this report, except that, if the owner establishes his right to
6 receive the abandoned property to the satisfaction of the holder
7 within the time specified in sec. 110 of this chapter, or if it appears
8 that for some other reason the presumption of abandonment is erroneous,
9 the holder need not pay or deliver the property, which will no longer
10 be presumed abandoned, to the commissioner, but shall file a verified
11 written explanation of the proof of claim or of the error in the
12 presumption of abandonment.

13 **Sec. 09.51.130. RELIEF FROM LIABILITY BY PAYMENT OR DELIVERY.**

14 Upon the payment or delivery of abandoned property to the commissioner,
15 the state shall assume custody and shall be responsible for the safe-
16 keeping of the property. A person who pays or delivers abandoned
17 property to the commissioner under this chapter is relieved of all
18 liability to the extent of the value of the property paid or delivered
19 for any claim which exists or which may arise or be made in respect to
20 the property. A holder who has paid money to the commissioner under
21 this chapter may make payment to a person appearing to the holder to
22 be entitled to it, and upon proof of payment and proof that the payee
23 was entitled to it, the commissioner shall reimburse the holder for
24 the payment.

25 **Sec. 09.51.140. INCOME ACCRUING AFTER PAYMENT OR DELIVERY.** When
26 property is paid or delivered to the commissioner under this chapter,
27 the owner is not entitled to receive income or other increments accruing
28 after the property is paid or delivered.

29 **Sec. 09.51.150. PERIODS OF LIMITATION NOT A BAR.** The expiration

1 of any period of time specified by statute or court order, during
2 which an action or proceeding may be commenced or enforced to obtain
3 payment of a claim for money or recovery of property, does not prevent
4 the money or property from being presumed abandoned property, nor does
5 it affect any duty to file a report required by this chapter or to pay
6 or deliver abandoned property to the commissioner.

7 Sec. 09.51.160. SALE OF ABANDONED PROPERTY. (a) All abandoned
8 property other than money delivered to the commissioner under this
9 chapter shall within one year after the delivery be sold by him to the
10 highest bidder at public sale in a location in the state which in his
11 judgment will bring the most favorable market for the property involved.
12 The commissioner may decline the highest bid and reoffer the property
13 for sale if he considers the price bid insufficient. He need not
14 offer any property for sale if, in his opinion, the probable cost of
15 sale exceeds the value of the property.

16 (b) Before holding a sale held under this section the commissioner
17 shall publish notice of the sale at least three weeks in advance of
18 sale in a newspaper of general circulation in the judicial district
19 where the property is to be sold.

20 (c) The purchaser at any sale conducted by the commissioner
21 under this chapter is entitled to receive title to the property pur-
22 chased, free from all claims of the owner or prior holder of the
23 property and of all persons claiming through or under them. The
24 commissioner shall execute all documents necessary to complete the
25 transfer of title.

26 Sec. 09.51.170. DEPOSIT OF FUNDS. (a) All funds received under
27 this chapter, including the proceeds from the sale of abandoned property
28 under sec. 160 of this chapter, shall be deposited by the commissioner
29 in the general fund of the state, except that the commissioner shall

1 retain in a separate trust fund an amount not exceeding \$25,000 from
2 which he shall make prompt payment of claims duly allowed by him as
3 provided in this chapter. Before making the deposit he shall record
4 the name and last known address of each person appearing from the
5 holder's reports to be entitled to the abandoned property and of the
6 name and last known address of each insured person or annuitant, and
7 with respect to each policy or contract listed in the report of a life
8 insurance corporation, its number, the name of the corporation, and
9 the amount due. The record shall be available for public inspection
10 at all reasonable business hours.

11 (b) Before making any deposit to the credit of the general fund,
12 the commissioner may deduct:

13 (1) costs incurred in connection with sale of abandoned
14 property;

15 (2) costs of mailing and publication incurred in connection
16 with any abandoned property; and

17 (3) reasonable service charges.

18 Sec. 09.51.180. CLAIM FOR ABANDONED PROPERTY PAID OR DELIVERED.

19 A person claiming an interest in property delivered to the state under
20 this chapter may file a claim for it or to the proceeds from the sale
21 of the property on a form prescribed by the commissioner.

22 Sec. 09.51.190. DETERMINATION OF CLAIMS. (a) The commissioner
23 shall consider a claim filed under this chapter and may hold a hearing
24 and receive evidence concerning it. If a hearing is held, he shall
25 prepare findings and a decision in writing on each claim filed,
26 stating the substance of any evidence heard by him and the reasons for
27 his decision. The decision is a public record.

28 (b) If the claim is allowed, the commissioner shall make payment
29 of it. The claim shall be paid without deduction for the costs of

1 notices or sale or for service charges.

2 Sec. 09.51.200. JUDICIAL ACTION UPON DETERMINATIONS. A person
3 aggrieved by a decision of the commissioner, may appeal to the superior
4 court to establish his claim.

5 Sec. 09.51.210. ELECTION TO TAKE PAYMENT OR DELIVERY. The
6 commissioner, after receiving reports of property considered abandoned
7 under this chapter, may decline to receive any property reported which
8 he considers to have a value less than the cost of giving notice and
9 holding sale, or he may, if he considers it desirable because of the
10 small amount involved, postpone taking possession until a sufficient
11 amount accumulates. Unless the holder of the property is notified to
12 the contrary within 120 days after filing the report required under
13 sec. 100 of this chapter, the commissioner is considered to have
14 elected to receive the custody of the property.

15 Sec. 09.51.220. EXAMINATION OF RECORDS. The commissioner may at
16 reasonable times and upon reasonable notice examine the records of any
17 person if he has reason to believe that the person has failed to
18 report property that should have been reported under this chapter.

19 Sec. 09.51.230. PROCEEDING TO COMPEL DELIVERY OF ABANDONED
20 PROPERTY. If a person refuses to deliver property to the commissioner
21 as required under this chapter, he shall request the attorney general
22 to bring an action to enforce the delivery.

23 Sec. 09.51.240. PENALTIES. (a) A person who wilfully fails to
24 file a report or perform other duties required under this chapter,
25 shall be punished by a fine of \$50 for each day the report is withheld,
26 but not more than \$3,000.

27 (b) Any person who wilfully refuses to pay or deliver abandoned
28 property to the commissioner as required under this chapter shall be
29 punished by a fine of not more than \$1,000 or imprisonment for not

1 more than one year, or by both.

2 Sec. 09.51.250. REGULATIONS. The commissioner shall adopt
3 regulations which are necessary to carry out the provisions of this
4 chapter.

5 Sec. 09.51.260. EFFECT OF LAWS OF OTHER STATES. This chapter
6 does not apply to any property that has been presumed abandoned or
7 escheated under the laws of another state before the effective date of
8 this chapter.

9 Sec. 09.51.270. DEFINITIONS. As used in this chapter, unless
10 the context otherwise requires:

11 (1) "banking organization" means a bank, trust company,
12 savings bank, industrial bank, land bank, safe deposit company, or a
13 private banker engaged in business in this state;

14 (2) "business association" means a corporation (other than
15 a public corporation), joint stock company, business trust, partnership,
16 or any association for business purposes of two or more individuals;

17 (3) "commissioner" means the commissioner of revenue;

18 (4) "financial organization" means a savings and loan
19 association, building and loan association, credit union, cooperative
20 bank, or investment company, engaged in business in this state;

21 (5) "holder" means a person in possession of property
22 subject to this chapter belonging to another, or who is trustee in
23 case of a trust, or is indebted to another on an obligation subject to
24 this chapter;

25 (6) "life insurance corporation" means an association or
26 corporation transacting within this state the business of insurance on
27 the lives of persons or insurance appertaining to it, including
28 but not limited to, endowments and annuities;

29 (7) "owner" means a depositor in case of a deposit, a

1 beneficiary in case of a trust, a creditor, claimant, or payee in case
2 of other rights of action or a person having a legal or equitable
3 interest in property subject to this chapter, or his legal representa-
4 tive;

5 (8) "person" means an individual, business association,
6 government or political subdivision, public corporation, public
7 authority, estate, trust, two or more persons having a joint or common
8 interest, or any other legal or commercial entity;

9 (9) "utility" means a person who owns or operates within
10 this state, for public use, any plant, equipment, property, franchise,
11 or license for the transmission of communications or the production,
12 storage, transmission, sale, delivery, or furnishing of electricity,
13 water, steam, or gas.

14 Sec. 09.51.280. SHORT TITLE. This chapter may be cited as the
15 Uniform Disposition of Unclaimed Property Act.

16 * Sec. 2. AS 09.50.070 is amended to read:

17 Sec. 09.50.070. PROPERTY SUBJECT TO ESCHEAT. When no claim of
18 ownership has been made [TO BANK DEPOSITS, CASH, OR PERSONAL PROPERTY]
19 for more than seven years to any real property or to any tangible
20 personal property whose disposition has not otherwise been provided
21 for under AS 09.51 or AS 34.45, the property escheats to and becomes
22 the property of the state.

23 * Sec. 3. AS 09.50.120(a) is repealed and re-enacted to read:

24 (a) The commissioner of revenue may sell personal property which
25 has escheated to the state under sec. 70 of this chapter. The sale
26 must be preceded by the notice and publication required by AS 09.51.110
27 and must be conducted in accordance with AS 09.51.160.

28 * Sec. 4. AS 09.50.140 is repealed and re-enacted to read:

29 Sec. 09.50.140. DUTY OF BANKS AND FINANCIAL INSTITUTIONS TO

1 REPORT ESCHEATED PROPERTY. Every banking organization, financial
2 organization, business association, fiduciary or other holder of
3 property subject to escheat to which no owner is known to them or the
4 owner of which has not been heard from by them for more than seven
5 years shall file a report of unclaimed property with the commissioner
6 of revenue under AS 09.51.100.

7 * Sec. 5. AS 34.45.070(b) is amended to read:

8 (b) The district judge or magistrate shall hold the money in
9 trust for the owner of the property and shall pay it to the owner upon
10 the latter's making a written, verified claim to it, with proof of his
11 ownership, within six months after the date of the sale. If no claim
12 is made within six months after the date of the sale, he shall immedi-
13 ately pay the excess proceeds to the Department of Revenue. The
14 Department of Revenue shall deposit the excess proceeds in the state
15 treasury, and the owner [, WITHIN SEVEN YEARS AFTER THE DEPOSIT,] may
16 at any time after that deposit file a claim with the commissioner
17 under AS 09.51.180 - 09.51.190 and recover the money from the state.
18 Any person aggrieved by a decision of the commissioner may appeal to
19 the superior court under AS 09.51.200 to establish his claim.

20 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-
21 10.070(c).

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SB 79
 Title Uniform Disposition of Unclaimed Property Act
 Requested by Department of Revenue Date _____

II. FISCAL DETAIL
 Agency Affected Revenue
 Program Category Affected Audit Division
 Budget Request Unit(s) Affected _____

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	15.8	15.8	15.8	15.8	15.8	15.8
200 TRAVEL						
300 CONTRACTUAL	8.0	8.0	8.0	8.0	8.0	8.0
400 COMMODITIES	.5	.5	.5	.5	.5	.5
500 EQUIPMENT	.8					
600 LAND & STRUCTURES	.					
700 GRANTS, CLAIMS, ETC.						
TOTAL	25.1	24.3	24.3	24.3	24.3	24.3

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						
Escheated Property Fund	25.1	24.3				

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

It is expected that this bill will bring in \$200,000 the first of operation and \$100,000 for each year thereafter.

IV. DATE 12/20/76 PREPARED BY *[Signature]*
 AGENCY Department of Revenue
 PHONE 2300
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

79
January 25, 1977

The Honorable John L. Rader
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 18 of the Alaska Constitution and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill which largely displaces AS 09.50.070 -- 09.50.160 -- the escheat provisions of Title 9 -- and adopts, in their stead, the Revised Uniform Disposition of Unclaimed Property Act (1966) drafted by the National Conference of Commissioners on Uniform State Laws. This bill adds ch. 51 to AS 9, and amends four sections of existing law to conform to the Uniform Act.

The Uniform Act specifically subjects a wider range of intangible personal property interests to escheat than were formerly referred to in AS 09.50.070. Savings accounts, deposits, drafts, money orders, traveler's checks, and safety deposit box contents are among the various property interests held by banking or financial organizations or by business associations which are covered by the Act (AS 09.51.010). Also included is money held and owing by a life insurance corporation under a life insurance or annuity agreement (AS 09.-51.020), deposits and refunds held by utilities (AS 09.51.030), undistributed dividends, stock, and payments relating to a debt held by a corporation (AS 09.-51.040), and intangible personal property held by private fiduciaries (AS 09.51.050), public officers and state courts (AS 09.51.070).

In general, any of these property interests which have been abandoned and which are being held in this state by any person or by any business association organized under the laws of or created in this state, or by any

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In general, any of these property interests which have been abandoned and which are being held in this state by any person or by any business association organized under the laws of or created in this state, or by any

foreign corporation or business association doing business in this state whose records indicate the amount held and owing belongs to a person whose last known address was in this state, are subject to the reporting requirements of the Act, which are set out in AS 09.51.100. Abandonment is generally presumed to have occurred if the owner has not claimed the property or contacted the holder in any way concerning it for a period of seven years. This is the same period currently prescribed in AS 09.50.070.

After the holders have filed their reports of abandoned property, the commissioner of revenue is required to publish a list of the names of owners believed to have abandoned property interests under the Act, to mail notices to the last known addresses, if any, of the individuals listed, and to otherwise exercise due diligence to ascertain the whereabouts of the owners (AS 09.51.110). Except in certain narrowly defined circumstances, the holders are then required to pay or deliver the reported property to the commissioner (AS 09.51.120). Thereafter, the holders are relieved of all liability related to the disposition of the abandoned property (AS 09.51.130).

In addition, the Act requires the commissioner to offer to sell all abandoned property other than money to the highest bidder at public sale within one year of its delivery to him unless he determines that the probable proceeds to be obtained at such a sale would not exceed the probable costs of the sale (AS 09.51.160). These proceeds along with all other funds received by the commissioner are to be deposited in the general fund of the state after deducting the commissioner's mailing and publication costs, the costs relating to the sale of the property, if any, and a reasonable service charge. Furthermore, the commissioner is authorized to retain in a separate trust fund an amount not exceeding \$25,000 from which he shall make prompt payment of any claims which he has determined to be valid brought by owners of property which has been turned over to the commissioner under the Act (AS 09.51.170). The commissioner may hold a hearing to determine the merits of an individual's claim to the property (AS 09.51.190), and an owner who is aggrieved by a decision of the commissioner whose claim is not acted upon within 90 days may bring an action in the superior court to establish his claim (AS 09.51.200).

The commissioner is authorized to adopt necessary regulations to carry out the provisions of the Act (AS 09.51.250), to examine the books and records of a person who he has reason to believe has failed to report property subject to the Act (AS 09.51.220), and to bring an action to compel delivery of property wrongfully withheld by a holder (AS 09.51.230). Finally, civil penalties and criminal sanctions will be incurred by those who wilfully fail to comply with the Act (AS 09.51.240).

The procedures set out in the Uniform Act are designed to safeguard the interests of both the state and the rightful owner of the property, if any. In the first place, the reporting requirements imposed upon the holders, combined with the broader investigation and enforcement powers of the commissioner of revenue and with the addition of criminal penalties for wilful failure to report or deliver, will make it easier for the state to ascertain the whereabouts of abandoned property held in this state. The expansion of the categories of personal property affected by the Act will help obtain greater revenue for the state. On the other hand, the Act requires the commissioner to comply with mailing and notification procedures which are reasonably aimed at locating the real owner of reported property. Furthermore, the Act is custodial in nature in that the owner's rights to the property are never lost although his right to income from the property, accruing after payment or delivery to the commissioner, will be cut off (AS 09.51.140). The owner retains the right to establish and claim his interest in the property or the proceeds from the sale of his property from the commissioner at any time in the future.

Sections 2 through 5 of the bill prescribe amendments to AS 34.45 and to the escheat provisions of AS 09.50 which are the two other statutory procedures for disposing of unclaimed property. The former deals primarily with tangible personal property left in the care of certain bailees or consignees whereas the latter will now primarily apply to real property and any tangible personal property interests not expressly covered by either of the other acts.

ALASKA STATE LEGISLATURE

TENTH Legislature FIRST Session

SENATE BILL NO. 79

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act relating to the Uniform Disposition of Unclaimed Property Act; and providing for an effective date."

Unclaimed Property Act

Introduced in the Senate 1/25/77

HISTORY IN THE SENATE

19 77

1 25

Read first time and referred to Committee on

Judiciary and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
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Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Lt. Governor

Chapter No.

ROBERTSON, MONAGLE, EASTAUGH & BRADLEY

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

200 NATIONAL BANK OF ALASKA BUILDING

PHONE (907) 586-3340

CABLE POMEA

TELE: 090-45-376

P O BOX 1211

JUNEAU, ALASKA 99802

February 18, 1977

ANCHORAGE OFFICE

SUITE 310, ALASKA MUTUAL BANKS

BANK BUILDING

P O Box 679

ANCHORAGE, ALASKA 99510

PHONE (907) 277-0600

TELE: 000-26-486

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1 P LANGEN

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8 D MILLER (ANCHORAGE)

7 A SOTO

OF COUNSEL

11 M MONAGLE

Honorable John C. Sackett
Chairman
Senate Finance Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: SB 79

Dear Senator Sackett:

I am writing this letter to you on behalf of the American Council of Life Insurance, formerly the American Life Insurance Association, a trade association of life insurance companies.

SB 79 is substantially based on a model developed by the National Conference of Commissioners on Uniform State Laws, and the ACLI certainly does not oppose its enactment. However, there are two suggestions that we would like to make that you may want to consider when taking up this bill.

First, Section 09.51.100 as presently written requires reporting of all abandoned property of a value of ten dollars or more. That figure was apparently originally set by the National Conference at a time when ten dollars was a bit more substantial. Presently, that figure might involve everyone concerned with abandoned property in more paperwork and accountability problems than the ten dollar value of the asset would justify. A number of states have apparently raised the amount in the uniform bill to twenty-five or fifty dollars rather than retaining the pre-inflation ten dollar figure. It may be that, in Alaska, it simply would not be worth the state's time and trouble to account for items under fifty dollars in value.

The other suggestion has to do with the proposed Section 09.51.150. That section as it presently reads, makes clear that no other statute of limitations affects

the presumption of abandonment or the duty to file a report or deliver the abandoned property to the commissioner. Once the statute has been in operation for some period of time, there is nothing objectionable about the language. However, it does not seem reasonable to subject property that had been abandoned for some time prior to the effective date of this statute to such a provision. Accordingly, we would suggest adding the following language to proposed Section 09.51.150:

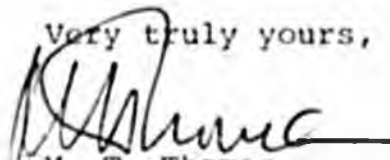
, except that holder shall not be required to report or to pay or deliver abandoned property for which the period of the statute of limitations applicable to the enforcement of any claim of such property shall have expired prior to [the effective date of this act].

This language has been incorporated in several new enactments of the model act, including the most recent enactment in North Dakota in 1975. A copy of the North Dakota statute is enclosed for your reference.

We believe that the suggested amendments will make this statute more practicable and cost efficient.

Please let me know if we can be of assistance to the committee with respect to this legislation.

Very truly yours,



M. T. Thomas

jb
Enclosure

ND

47-30-15

PROPERTY

delivered for any claim which then exists or which thereafter may arise or be made in respect to the property by any claimant, including any state. The state shall indemnify and hold harmless such person upon any such claim and any loss and damage related thereto, provided that such person shall notify the administrator of any legal proceedings against such person in relation to any such claim within ten days after service of process upon such person to afford the state an opportunity to defend such person in any such proceeding. Any holder who has paid moneys to the administrator pursuant to this chapter may make payment to any person appearing to such holder to be entitled thereto, and upon proof of such payment and proof that the payee was entitled thereto, the administrator shall forthwith reimburse the holder for the payment.

Source: S. L. 1975, ch. 425, § 14.

47-30-15. Period of limitation not a bar—Exception.—The expiration of any period of time specified by statute or court order, during which an action or proceeding may be commenced or enforced to obtain payment of a claim for money or recovery of property, shall not prevent the money or property from being presumed abandoned property, nor affect any duty to file a report required by this chapter or to pay or deliver abandoned property to the administrator, except that holders shall not be required to report or to pay or deliver abandoned property for which the period of the statute of limitations applicable to the enforcement of any claim to such property shall have expired prior to July 1, 1975.

Source: S. L. 1975, ch. 425, § 15.

47-30-16. Sale.—

1. All abandoned property other than money delivered to the administrator may be sold by him. Such sale shall be to the highest bidder at public sale in whatever place in the state affords in the administrator's judgment the most favorable market for the property involved. The administrator may decline the highest bid and re-offer the property for sale if the administrator considers the price bid insufficient. The administrator need not offer any property for sale if, in the opinion of the administrator, the probable cost of sale exceeds the value of the property.
2. Any sale held under this section shall be preceded by a single publication of notice thereof, at least three weeks in advance of sale in a newspaper of general circulation in the county where the property is sold, and any other notice the administrator may deem to be in the public interest.
3. The purchaser at any sale conducted by the administrator pursuant to this chapter shall receive title to the property purchased, free from all claims of the owner or prior holder thereof and of all persons claiming through or under them. The administrator

ABANDONED AND

shall execute all documents of the title.

Source: S. L. 1975, ch. 425, § 16.

47-30-17. Deposit of funds.—

1. All funds received under the sale of abandoned property shall be deposited by the administrator on the credit of the common fund. The administrator shall make prompt payment of such funds after provided. Before making such payment, the administrator shall record a description of the proceeds received, the name of the person appearing from the abandoned property, and the policy or contract listed in the record. The name of the person shall be available during business hours.
2. Before making any deposit into a trust fund, the administrator shall:
 - a. Any costs in connection with the sale of abandoned property.
 - b. Any costs of mailing notices to holders of abandoned property.
 - c. Any costs incurred in the discovery of holders of abandoned property.

Source: S. L. 1975, ch. 425, § 17.

47-30-18. Claim for property.—Any person claiming an interest in abandoned property at any time an interest in such property is being sold under this chapter may file a claim for such property on the form prescribed by the administrator.

Source: S. L. 1975, ch. 425, § 18.

47-30-19. Determination of claim.—

1. The administrator shall hold a hearing and may hold a hearing if a hearing is held, the administrator shall make a decision in writing on any evidence heard and the decision shall be a public record.
2. If the claim is allowed, the administrator shall forthwith by warrant issue the schools trust fund the costs of notices or other expenses.

Source: S. L. 1975, ch. 425, § 19.

Introduced 1/25/77
Referred: Judiciary and Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 79

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Uniform Disposition of Unclaim-
7 ed Property Act, and providing for an effective date."

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

9 • Section 1. AS 09 is amended by adding a new chapter to read:

10 CHAPTER 51. UNCLAIMED PROPERTY.

11 Sec. 09.51.010. PROPERTY HELD BY BANKING OR FINANCIAL ORGANIZA-
12 TIONS OR BY BUSINESS ASSOCIATIONS. The following property held or
13 owed by a banking or financial organization or by a business association
14 is presumed abandoned:

15 (1) a demand, savings, or matured time deposit made in the
16 state with a banking organization, together with interest or dividend,
17 excluding charges that may lawfully be withheld, unless the owner has,
18 within seven years

19 (A) increased or decreased the amount of the deposit,
20 or presented the passbook or other similar evidence of this
21 deposit for the crediting of interest, or

22 (B) corresponded in writing with the banking organi-
23 zation concerning the deposit, or

24 (C) otherwise indicated an interest in the deposit as
25 evidenced by a memorandum on file with the banking organization.

26 (2) funds paid in this state toward the purchase of shares
27 or other interest in a financial organization or deposit made with it
28 in the state, and interest or dividends excluding charges that may
29 lawfully be withheld, unless the owner has within seven years

1
2
3 (A) increased or decreased the amount of the funds or
4 deposit, or presented an appropriate record for the crediting of
5 interest or dividends; or

6 (B) corresponded in writing with the financial organi-
7 zation concerning the funds or deposit, or

8 (C) otherwise indicated an interest in the funds or
9 deposit as evidenced by a memorandum on file with the financial
10 organization.

11 (3) a sum payable on a check certified in this state or on
12 a written instrument issued in the state on which a banking or financial
13 organization or business association is directly liable, including but
14 not limited to, a certificate of deposit, draft, money order, and
15 traveler's check, which, with the exception of a traveler's check, has
16 been outstanding for more than seven years from the date of its
17 issuance if payable on demand, or, in the case of a traveler's check,
18 which has been outstanding for more than 15 years from the date of its
19 issuance, unless the owner has within seven years, or within 15 years
20 in the case of a traveler's check, corresponded in writing with the
21 banking or financial organization or business association concerning
22 it, or otherwise indicated an interest as evidenced by a memorandum on
23 file with the banking or financial organization or business association.

24 (4) funds or other personal property, tangible or intangible,
25 removed from a safe deposit box or other safekeeping repository or
26 agency or collection deposit box in the state on which the lease or
27 rental period has expired due to expiration of rental charges or other
28 reason, or a surplus amount arising from the sale of the property
29 according to law that has been unclaimed by the owner for more than
30 seven years from the date on which the lease or rental period expired.

31 Sec. 09.31.020. UNCLAIMED FUNDS HELD BY LIFE INSURANCE CORPORATIONS

1 TIONS. (a) Unclaimed funds, as defined in this section, held and
2 owed by a life insurance corporation are presumed abandoned to this
3 state if, according to the records of the corporation, the last known
4 address of the person entitled to the funds is within the state. If a
5 person other than the insured or annuitant is entitled to the funds
6 and the address of the person is not known to the corporation or if it
7 is not definite and certain from the records of the corporation what
8 person is entitled to the funds, it is presumed that the last known
9 address of the person entitled to the funds is the same as the last
10 known address of the insured or annuitant according to the records of
11 the corporation.

12 (b) "Unclaimed funds" as used in this section, means money held
13 and owed by a life insurance corporation which is unclaimed and unpaid
14 for more than seven years after the money became due and payable as
15 established from the records of the corporation under a life or endow-
16 ment insurance policy; or annuity contract which has matured or termi-
17 nated. A life insurance policy not matured by actual proof of the
18 death of the insured is considered to be matured and the proceeds of
19 it are considered to be due and payable if the policy was in force
20 when the insured attained the limiting age under the mortality table
21 on which the reserve is based, unless the person appearing entitled
22 to the proceeds has within the preceding seven years (1) assigned,
23 readjusted, or paid premiums on the policy, or subjected the policy to
24 loan, or (2) corresponded in writing with the life insurance corporation
25 concerning the policy. Money otherwise payable according to the
26 records of the corporation is considered to be due and payable although
27 the policy or contract has not been surrendered as required.

28 Sec. 09.51.030. DEPOSITS AND REFUNDS HELD BY UTILITIES. The
29 following funds held or owed by a utility are presumed abandoned:

1 (1) a deposit made by a subscriber with a utility to secure
2 payment for, or a sum paid in advance for, utility services to be
3 furnished in this state, less any lawful deductions, that has remained
4 unclaimed by the person appearing on the records of the utility as
5 entitled to the deposit or advance payment for more than seven years
6 after the termination of the services for which the deposit or advance
7 payment was made;

8 (2) a sum received for utility services provided in this
9 state, which a utility has been ordered to refund, together with
10 interest on the sum, less lawful deductions, that has remained un-
11 claimed by the person appearing on the records of the utility as
12 entitled to the refund for more than seven years after the date it
13 became payable in accordance with the final determination or order
14 providing for the refund.

15 Sec. 09.52.040. UNCLAIMED DIVIDENDS AND DISTRIBUTIONS OF
16 BUSINESS ASSOCIATIONS. A stock or other certificate of ownership, or
17 a dividend, profit, distribution, interest, payment on principal, or
18 other sum held or owed by a business association for or to a share-
19 holder, certificate holder, member, bondholder, or other security
20 holder, or a participating patron of a cooperative, who has not claimed
21 it, or corresponded in writing with the business association concerning
22 it, within seven years after the date prescribed for payment or de-
23 livery, is presumed abandoned if:

24 (1) it is held or owed by a business association organized
25 under the laws of or created in this state, or

26 (2) it is held or owed by a business association doing
27 business in this state, but not organized under the laws of or created
28 in this state, and the records of the business association indicate
29 that the last known address of the person entitled to it is in this

1 state.

2 Sec. 09.51.050. PROPERTY OF BUSINESS ASSOCIATIONS AND BANKING OR
3 FINANCIAL ORGANIZATIONS HELD IN COURSE OF DISSOLUTION. Intangible
4 personal property distributable in the course of a voluntary dissolution
5 of a business association, banking organization, or financial organiza-
6 tion organized under the laws of or created in this state, which is
7 unclaimed by the owner within two years after the date for final dis-
8 tribution, is presumed abandoned.

9 Sec. 09.51.060. PROPERTY HELD BY FIDUCIARIES. Intangible personal
10 property and income or increment on the property, held in a fiduciary
11 capacity for the benefit of another person is presumed abandoned
12 unless the owner has, within seven years after it becomes payable or
13 distributable, increased or decreased the principal, accepted payment
14 of principal or income, corresponded in writing concerning the property,
15 or otherwise indicated an interest as evidenced by a memorandum on
16 file with the fiduciary.

17 (1) If the property is held by a banking organization or a
18 financial organization, or by a business association organized under
19 the laws of or created in this state, or

20 (2) If it is held by a business association, doing business
21 in this state, but not organized under the laws of or created in this
22 state, and the records of the business association indicate that the
23 last known address of the person entitled to the property is in this
24 state, or

25 (3) If it is held in this state by any other person.

26 Sec. 09.51.070. PROPERTY HELD BY STATE COURTS AND PUBLIC OFFICERS
27 AND AGENCIES. Intangible personal property held for the owner by a
28 court, public corporation, public authority, or public officer of this
29 state, or a political subdivision of this state, which has remained

1 unclaimed by the owner for more than seven years, is presumed abandoned.

2 Sec. 09.51.080. MISCELLANEOUS PERSONAL PROPERTY HELD FOR ANOTHER
3 PERSON. Intangible personal property, not otherwise covered by this
4 chapter, including income from or increment to the property and deduct-
5 ing any lawful charges, which is held or owed in this state in the
6 ordinary course of the holder's business and has remained unclaimed by
7 the owner for more than seven years after it became payable or distri-
8 butable, is presumed abandoned.

9 Sec. 09.51.090. RECIPROCITY FOR PROPERTY PRESUMED ABANDONED OR
10 ESCHEATED UNDER THE LAWS OF ANOTHER STATE. If specific property which
11 is subject to the provisions of secs. 10 - 80 of this chapter is held
12 for or owed by or distributable to an owner whose last known address
13 is in another state by a holder who is subject to the jurisdiction of
14 that state, the specific property is not presumed abandoned in this
15 state and subject to this chapter if:

16 (1) it may be claimed as abandoned or escheated under the
17 laws of the other state; and

18 (2) the laws of the other state like reciprocal provision
19 that similar specific property is not presumed abandoned or escheat-
20 able by the other state when held or owed by or distributable to
21 an owner whose last known address is within this state by a holder who
22 is subject to the jurisdiction of this state.

23 Sec. 09.51.100. REPORT OF ABANDONED PROPERTY. (a) Each person
24 holding funds or other property, tangible or intangible, presumed
25 abandoned under this chapter shall report to the commissioner of
26 revenue with respect to the property as provided in (b) of this section.

27 (b) The report required by (a) must be verified and include:

28 (1) except in the case of traveler's checks and money
29 orders, the name, if known, and last known address, if any, of each

1 person from the records of the holder appearing to be the owner of pro-
2 perty of the value of \$10 or more presumed abandoned under this chapter:

3 (2) in case of unclaimed funds of life insurance corpora-
4 tions, the full name of the insured or annuitant and his last known
5 address according to the life insurance corporation's records;

6 (3) the nature and identifying number, if any, or descrip-
7 tion of the property and the amount appearing from the records to be
8 due, except that items of value under \$10 each may be reported in the
9 aggregate;

10 (4) the date when the property became payable, demandable,
11 or returnable, and the date of the last transaction with the owner
12 with respect to the property; and

13 (5) other information which the commissioner may require by
14 regulation as necessary for the administration of this chapter.

15 (c) If the person holding property presumed abandoned is a
16 successor to other persons who previously held the property for the
17 owner, or if the holder has changed his name while holding the pro-
18 perty, he shall file with his report all previously known names and
19 addresses of each holder of the property.

20 (d) The report must be filed before September 1 of each year.
21 The commissioner may postpone the reporting date upon written request
22 by any person required to file a report.

23 (e) If the holder of property presumed abandoned under this
24 chapter knows the location of the owner and if the owner's claim has
25 not been barred by the statute of limitations, the holder shall,
26 before filing the annual report, communicate with the owner and take
27 necessary steps to prevent abandonment from being presumed. The
28 holder shall exercise due diligence to ascertain the location of the
29 owner.

1 (f) Verification, if made by a partnership, must be executed by
2 a partner; if made by an unincorporated association or private corpora-
3 tion, by an officer; and if made by a public corporation, by its chief
4 fiscal officer.

5 (g) The initial report filed under this chapter must include all
6 items of property that would have been presumed abandoned if this
7 chapter had been in effect during the 10 year period preceding its
8 effective date.

9 Sec. 09.51.110. NOTICE AND PUBLICATION OF LISTS OF ABANDONED
10 PROPERTY. (a) Within 120 days after the filing of the report required
11 by sec. 100 of this chapter, the commissioner shall have notice publish-
12 ed at least once each week for two successive weeks in a newspaper of
13 general circulation in the judicial district in this state in which is
14 located the last known address of any person named in the notice. If
15 no address is listed or if the address is outside this state, the
16 notice must be published in the judicial district in which the holder
17 of the abandoned property has his principal place of business within
18 this state.

19 (b) The published notice shall be entitled "notice of names of
20 persons appearing to be owners of abandoned property." and shall
21 contain:

22 (1) the names in alphabetical order and last known addresses,
23 if any, of persons listed in the report and entitled to notice within
24 the judicial district as specified in (a) of this section.

25 (2) a statement that information concerning the amount or
26 description of the property and the name and address of the holder may
27 be obtained by any persons possessing an interest in the property by
28 addressing an inquiry to the commissioner.

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

1 the owner to the holder and if the owner's right to receive the property
2 is not established to the holder's satisfaction within 65 days after the
3 date of the second published notice, the abandoned property will be
4 placed not later than 85 days after the publication date in the custody
5 of the commissioner to whom all further claims must be directed.

6 (c) The commissioner is not required to publish in the notice an
7 item of less than \$25 unless he considers publication to be in the
8 public interest.

9 (d) Within 120 days after the receipt of the report required by
10 sec. 100 of this chapter, the commissioner shall mail a notice to each
11 person having an address listed in the report who appears to be entitl-
12 ed to property of the value of \$25 or more presumed abandoned under
13 this chapter.

14 (e) The mailed notice must contain:

15 (1) a statement that, according to a report filed with the
16 commissioner, property is being held to which the addressee appears
17 entitled;

18 (2) the name and address of the person holding the property
19 and necessary information regarding changes of name and address of the
20 holder;

21 (3) a statement that, if satisfactory proof of claim is not
22 presented by the owner to the holder by the date specified in the
23 published notice, the property will be placed in the custody of the
24 commissioner to whom all further claims must be directed.

25 (f) This section is not applicable to sums payable on traveler's
26 checks or money orders presumed abandoned under sec. 10 of this chapter.

27 Sec. 09.51.120. PAYMENT OR DELIVERY OF ABANDONED PROPERTY. A
28 person who has filed a report under sec. 100 of this chapter, within
29 20 days after the time specified in sec. 110 of this chapter, for

1 claiming the property from the holder, or in the case of sums payable
2 on traveler's checks or money orders presumed abandoned under sec.
3 10 of this chapter, within 20 days after the filing of the report,
4 shall pay or deliver to the commissioner all abandoned property specific
5 in this report, except that, if the owner establishes his right to
6 receive the abandoned property to the satisfaction of the holder
7 within the time specified in sec. 110 of this chapter, or if it appears
8 that for some other reason the presumption of abandonment is erroneous,
9 the holder need not pay or deliver the property, which will no longer
10 be presumed abandoned, to the commissioner, but shall file a verified
11 written explanation of the proof of claim or of the error in the
12 presumption of abandonment.

13 Sec. 09.51.130. RELIEF FROM LIABILITY BY PAYMENT OR DELIVERY.

14 Upon the payment or delivery of abandoned property to the commissioner,
15 the state shall assume custody and shall be responsible for the safe-
16 keeping of the property. A person who pays or delivers abandoned
17 property to the commissioner under this chapter is relieved of all
18 liability to the extent of the value of the property paid or delivered
19 for any claim which exists or which may arise or be made in respect to
20 the property. A holder who has paid money to the commissioner under
21 this chapter may make payment to a person appearing to the holder to
22 be entitled to it, and upon proof of payment and proof that the payee
23 was entitled to it, the commissioner shall reimburse the holder for
24 the payment.

25 Sec. 09.51.140. INCOME ACCRUING AFTER PAYMENT OR DELIVERY. When
26 property is paid or delivered to the commissioner under this chapter,
27 the owner is not entitled to receive income or other increments accruing
28 after the property is paid or delivered.

29 Sec. 09.51.150. PERIODS OF LIMITATION NOT A BAR. The expiration

1 of any period of time specified by statute or court order, during
2 which an action or proceeding may be commenced or enforced to obtain
3 payment of a claim for money or recovery of property, does not prevent
4 the money or property from being presumed abandoned property, nor does
5 it affect any duty to file a report required by this chapter or to pay
6 or deliver abandoned property to the commissioner.

7 Sec. 09.51.160. SALE OF ABANDONED PROPERTY. (a) All abandoned
8 property other than money delivered to the commissioner under this
9 chapter shall within one year after the delivery be sold by him to the
10 highest bidder at public sale in a location in the state which in his
11 judgment will bring the most favorable market for the property involved.
12 The commissioner may decline the highest bid and reoffer the property
13 for sale if he considers the price bid insufficient. He need not
14 offer any property for sale if, in his opinion, the probable cost of
15 sale exceeds the value of the property.

16 (b) Before holding a sale held under this section the commissioner
17 shall publish notice of the sale at least three weeks in advance of
18 sale in a newspaper of general circulation in the judicial district
19 where the property is to be sold.

20 (c) The purchaser at any sale conducted by the commissioner
21 under this chapter is entitled to receive title to the property pur-
22 chased, free from all claims of the owner or prior holder of the
23 property and of all persons claiming through or under them. The
24 commissioner shall execute all documents necessary to complete the
25 transfer of title.

26 Sec. 09.51.170. DEPOSIT OF FUNDS. (a) All funds received under
27 this chapter, including the proceeds from the sale of abandoned property
28 under sec. 160 of this chapter, shall be deposited by the commissioner
29 in the general fund of the state, except that the commissioner shall

1 retain in a separate trust fund an amount not exceeding \$25,000 from
2 which he shall make prompt payment of claims duly allowed by him as
3 provided in this chapter. Before making the deposit he shall record
4 the name and last known address of each person appearing from the
5 holder's reports to be entitled to the abandoned property and of the
6 name and last known address of each insured person or annuitant, and
7 with respect to each policy or contract listed in the report of a life
8 insurance corporation, its number, the name of the corporation, and
9 the amount due. The record shall be available for public inspection
10 at all reasonable business hours.

11 (b) Before making any deposit to the credit of the general fund,
12 the commissioner may deduct:

- 13 (1) costs incurred in connection with sale of abandoned
14 property;
- 15 (2) costs of mailing and publication incurred in connection
16 with any abandoned property, and
- 17 (3) reasonable service charges.

18 Sec. 09.51.180. CLAIM FOR ABANDONED PROPERTY PAID OR DELIVERED.
19 A person claiming an interest in property delivered to the state under
20 this chapter may file a claim for it or to the proceeds from the sale
21 of the property on a form prescribed by the commissioner.

22 Sec. 09.51.190. DETERMINATION OF CLAIMS. (a) The commissioner
23 shall consider a claim filed under this chapter and may hold a hearing
24 and receive evidence concerning it. If a hearing is held, he shall
25 prepare findings and a decision in writing on each claim filed,
26 stating the substance of any evidence heard by him and the reasons for
27 his decision. The decision is a public record.

28 (b) If the claim is allowed, the commissioner shall make payment
29 of it. The claim shall be paid without deduction for the costs of

1 notices or sale or for service charges.

2 Sec. 09.51.200. JUDICIAL ACTION UPON DETERMINATIONS. A person
3 aggrieved by a decision of the commissioner, may appeal to the superior
4 court to establish his claim.

5 Sec. 09.51.210. ELECTION TO TAKE PAYMENT OR DELIVERY. The
6 commissioner, after receiving reports of property considered abandoned
7 under this chapter, may decline to receive any property reported which
8 he considers to have a value less than the cost of giving notice and
9 holding sale, or he may, if he considers it desirable because of the
10 small amount involved, postpone taking possession until a sufficient
11 amount accumulates. Unless the holder of the property is notified to
12 the contrary within 120 days after filing the report required under
13 sec. 100 of this chapter, the commissioner is considered to have
14 elected to receive the custody of the property.

15 Sec. 09.51.220. EXAMINATION OF RECORDS. The commissioner may at
16 reasonable times and upon reasonable notice examine the records of any
17 person if he has reason to believe that the person has failed to
18 report property that should have been reported under this chapter.

19 Sec. 09.51.230. PROCEEDING TO COMPEL DELIVERY OF ABANDONED
20 PROPERTY. If a person refuses to deliver property to the commissioner
21 as required under this chapter, he shall request the attorney general
22 to bring an action to enforce the delivery.

23 Sec. 09.51.240. PENALTIES. (a) A person who wilfully fails to
24 file a report or perform other duties required under this chapter,
25 shall be punished by a fine of \$50 for each day the report is withheld,
26 but not more than \$3,000.

27 (b) Any person who wilfully refuses to pay or deliver abandoned
28 property to the commissioner as required under this chapter shall be
29 punished by a fine of not more than \$1,000 or imprisonment for not

1 more than one year, or by both.

2 Sec. 09.51.250. REGULATIONS. The commissioner shall adopt
3 regulatioⁿs which are necessary to carry out the provisions of this
4 chapter.

5 Sec. 09.51.260. EFFECT OF LAWS OF OTHER STATES This chapter
6 does not apply to any property that has been presumed abandoned or
7 escheated under the laws of another state before the effective date of
8 this chapter.

9 Sec. 09.51.270. DEFINITIONS. As used in this chapter, unless
10 the context otherwise requires:

11 (1) "banking organization" means a bank, trust company,
12 savings bank, industrial bank, land bank, safe deposit company, or a
13 private banker engaged in business in this state.

14 (2) "business association" means a corporation (other than
15 a public corporation), joint stock company, business trust, partnership,
16 or any association for business purposes of two or more individuals;

17 (3) "commissioner" means the commissioner of revenue;

18 (4) "financial organization" means a savings and loan
19 association, building and loan association, credit union, cooperative
20 bank, or investment company, engaged in business in this state;

21 (5) "holder" means a person in possession of property
22 subject to this chapter belonging to another, or who is trustee in
23 case of a trust, or is indebted to another on an obligation subject to
24 this chapter.

25 (6) "life insurance corporation" means an association or
26 corporation transacting within this state the business of insurance on
27 the lives of persons or insurance appertaining to it, including
28 but not limited to, endowments and annuities;

29 (7) "owner" means a depositor in case of a deposit, a

1 beneficiary in case of a trust, a creditor, claimant, or payee in case
2 of other rights of action or a person having a legal or equitable
3 interest in property subject to this chapter, or his legal representa-
4 tive;

5 (8) "person" means an individual, business association,
6 government or political subdivision, public corporation, public
7 authority, estate, trust, two or more persons having a joint or common
8 interest, or any other legal or commercial entity;

9 (9) "utility" means a person who owns or operates within
10 this state, for public use, any plant, equipment, property, franchise,
11 or license for the transmission of communications or the production,
12 storage, transmission, sale, delivery, or furnishing of electricity,
13 water, steam, or gas.

14 Sec. 09.51.280. SHORT TITLE. This chapter may be cited as the
15 Uniform Disposition of Unclaimed Property Act.

16 * Sec. 2. AS 09.50.070 is amended to read:

17 Sec. 09.50.070. PROPERTY SUBJECT TO ESCHEAT. When no claim of
18 ownership has been made [TO BANK DEPOSITS, CASH, OR PERSONAL PROPERTY]
19 for more than seven years to any real property or to any tangible
20 personal property whose disposition has not otherwise been provided
21 for under AS 09.51 or AS 34.45, the property escheats to and becomes
22 the property of the state.

23 * Sec. 3. AS 09.50.120(a) is repealed and re-enacted to read:

24 (a) The commissioner of revenue may sell personal property which
25 has escheated to the state under sec. 70 of this chapter. The sale
26 must be preceded by the notice and publication required by AS 09.51.110
27 and must be conducted in accordance with AS 09.51.160.

28 * Sec. 4. AS 09.50.140 is repealed and re-enacted to read:

29 Sec. 09.50.140. DUTY OF BANKS AND FINANCIAL INSTITUTIONS TO

1 REPORT ESCHEATED PROPERTY. Every banking organization, financial
2 organization, business association, fiduciary or other holder of
3 property subject to escheat to which no owner is known to them or the
4 owner of which has not been heard from by them for more than seven
5 years shall file a report of unclaimed property with the commissioner
6 of revenue under AS 09.51.100.

7 * Sec. 5. AS 34.45.070(b) is amended to read:

8 (b) The district judge or magistrate shall hold the money in
9 trust for the owner of the property and shall pay it to the owner upon
10 the latter's making a written, verified claim to it, with proof of his
11 ownership, within six months after the date of the sale. If no claim
12 is made within six months after the date of the sale, he shall immedi-
13 ately pay the excess proceeds to the Department of Revenue. The
14 Department of Revenue shall deposit the excess proceeds in the state
15 treasury, and the owner [. WITHIN SEVEN YEARS AFTER THE DEPOSIT.] may
16 at any time after that deposit file a claim with the commissioner
17 under AS 09.51.180 - 09.51.190 and recover the money from the state.
18 Any person aggrieved by a decision of the commissioner may appeal to
19 the superior court under AS 09.51.200 to establish his claim.

20 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-
21 10.070(c).

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

February 24, 1978

The Honorable John C. Sackett
 Chairman
 Senate Finance Committee
 Alaska State Legislature
 State Capitol Building
 Juneau, Alaska

Re: Senate Bill No. 79

Dear Senator Sackett:

Senate Bill No. 79, an Act relating to the Uniform Disposition of Unclaimed Property Act, was introduced on January 25, 1977 by the Rules Committee by Request of the Governor.

The proposed legislation largely displaces AS 09.50.070 - 09.50.160 (the escheat provisions of Title 9) and adopts in their stead, the Revised Uniform Disposition of Unclaimed Property Act (1960) drafted by the National Conference of Commissioners on Uniform State Laws.

The writer at the request of Sterling Gullacher, Commissioner of Revenue, traveled to Olympia, Washington in late 1975 to meet with Washington State Tax Officials to review the actual operation of the Unclaimed Property Section of the Inheritance Tax Division of the Washington State Department of Revenue. The State of Washington had adopted in 1955 an Unclaimed Property Act and later modified such Act to coincide with the 1966 Uniform Act.

Material was secured from the Washington State Department of Revenue in order to allow for the drafting of Senate Bill No. 79.

I am enclosing a recent article appearing in the February 1978 issue of the American Legion Magazine which discusses the efforts of other states who have adopted Unclaimed Property Act, and indicates revenue to be gained.

For your information with respect Travelers Checks alone, this office has been advised that the American Express Company has retained a local law firm to represent them to urge passage of the Bill. Mr. M. T. "Mike" Thomas of the law firm of Robertson, Monette, Eastaugh and Bradley advised this office that the American Express Company stated that the Uniform Bill for their purpose with respect uncashed travelers checks was easily understood and sets forth their responsibility for the escheat to the proper state.

In the absence of language dealing with travelers checks, the American Express Company escheats uncashed checks to the State of New York.

February 24, 1978

Trusting that the above information may be useful to you and members of the Senate Finance Committee in considering Senate Bill No.79, I remain,

Respectfully,



R. D. Stevenson
Special Assistant

Enclosure

cc: Sterling Gallagher
Commissioner of Revenue

John Messenger
Deputy Commissioner
Department of Revenue

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States Move To Control Unclaimed Treasure

MANY Americans act out a peculiar habit of the legendary W. C. Fields, stashing hard-earned dollars in banks—and then forgetting about them.

Others die and leave behind safe-deposit boxes full of bonds—but no record of the hidden caches.

Some receive gift certificates but never use them, buy plane tickets and never fly. Eccentrics leave bequests to missing heirs. Employees change jobs without collecting their vacation pay. Many buy traveler's checks—but do not cash them.

Unclaimed cash and other abandoned assets lurk on the ledgers of banks, insurance companies, retail stores and other businesses—an estimated \$20 billion worth of unclaimed assets. It has been suggested that one in every 15 Americans has money waiting for him somewhere.

Common-law tradition gives the states the right to hold—and enjoy the use of—such abandoned property. In recent years, California and New York initiated special programs to recover abandoned property from private caches. Other states are following their lead. Long-standing abandoned property laws are on the books in 42 states. Generally, they require holders of unclaimed property to turn them over to the state of the owner's last residence.

All the states hold such property in trust for the benefit of the owner. However, government has the use of the money until the true owner or heir comes forth to collect it. About 25 to 40 percent of the funds are eventually returned to rightful owners. Statistics indicate that states collected \$500 million of unclaimed assets from 1961 to 1976. As much as \$10 billion may still be out there.

In 1974, California initiated an aggressive program to recover abandoned property—a model project spearheaded by a specifically-appointed task force. The author was chief auditor.

Our effort was the result of Gov. Jerry Brown's interest in serious charges levied by banks on unclaimed savings and travelers checks accounts. He charged the banks with withholding money that rightfully belonged to the state.

Abandoned property treasure in California increased from an annual average of \$2 million before the pro-

gram to \$20 million in 1976.

And Brown's original charges resulted in a 1977 order that forced the largest bank in California to repay \$1.5 million in service fees on abandoned travelers check accounts to the state.

The California experiment demonstrated two important precepts:

1. An effective collection effort can be quickly initiated with only minor investment on the part of the state. California was able to train state auditors to assess and identify unclaimed property holders and create a comprehensive collection agency to bring home the abandoned funds. Recoveries from just a few pilot audits helped fund the full program.

2. Despite extensive advertising by the state, owners rarely came forward to receive their property resulting in a windfall for the state treasury. California keeps about 65 cents of each \$1 it receives in unclaimed property.

In 1976, New York reduced to five years the period after which unclaimed property must revert to the state. During the 1976-77 fiscal year, more than \$121 million went into that state's coffers.

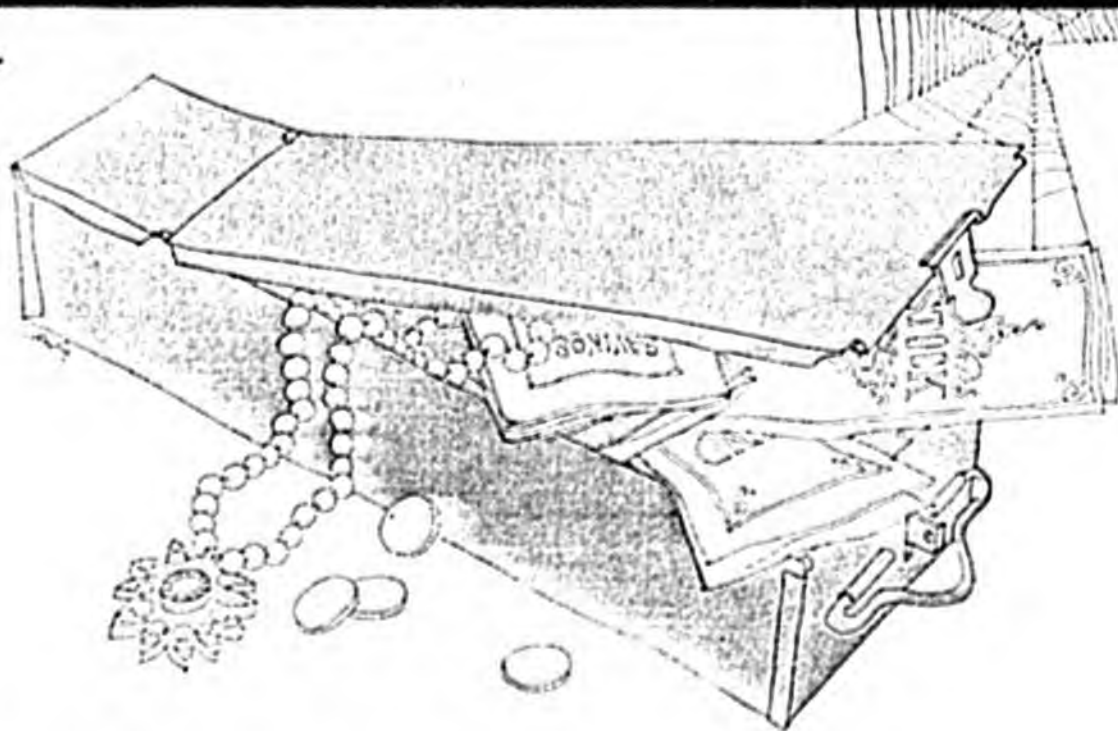
To date, only California, New York, Minnesota and Pennsylvania have budgeted for the staff necessary to perform routine audits of in-state property-holders. But 14 state governments are constructing abandoned property programs to establish state control over assets until the rightful owner comes along.

—Anthony L. Andreoli

Editor's Note: The author is a certified public accountant with Alexander Grant & Co., Chicago, Ill.



An older report from the Charming Iron (The
Fiddler Magazine)



Don't let the state grab your money

It can take a bank account and other things, too, under the escheat laws.

As a star performer in the golden years of vaudeville, W. C. Fields earned big money and scattered it in banks large and small across the nation. It is unlikely that even Fields remembered all of them. When he died, his executors had the devil's own time trying to find the money. Doubtless, some of it—perhaps lots of it—was legally confiscated and popped into various state treasuries under a legal device called the law of escheat.

What the law says is that when no legal owner of property can be found and heirs can't be located, ownership goes to the individual state. What it means is that you could lose money—even while you are still alive—by not making sure the right people know you live active claim to it.

Escheat laws are sometimes called unclaimed or abandoned property acts. They differ from state to state, but all provide that if an owner of certain property has no contact with it for a stated number of years, it is presumed abandoned and the state gets it.

All states have escheat laws. Some are more comprehensive than others in their coverage. The application of laws covering tangible personal property, such as paintings, antique furniture and fine coats, varies greatly. Laws dealing with intangible personal property, the most important laws considering the amounts involved, are a lot more uniform in appli-

cation. Intangible personal property includes such things as savings accounts, stocks and bonds, and money held for you by life insurance and utility companies.

Real estate, while it technically could fall under escheat statutes, generally is handled under other sections of state law. As long as you pay the taxes on your property, the state has contact with you and you are on record as the owner. If you don't pay, the tax man will sell the property at auction to the highest bidder. The valuables found in safe deposit boxes—jewelry, rare coins, stamps and the like—are sold off the same way. Personal items, such as photographs and letters, are thrown away. Cash goes directly to the state.

Who wants such laws?

You're exasperated why it would be to a state's advantage to have a comprehensive set of laws covering unclaimed or abandoned property. They can bring substantial amounts of money into the public coffers annually, and the interest the state earns on the use of that money can help reduce the tax burden on citizens. Businesses carrying large numbers of uncashed checks on their ledgers also favor escheat laws because they would like to be able to clear their obligations by turning the money over to the state periodically.

It should be noted that banks and other financial institutions increasingly make an effort to find you when the statutory limit draws near if your accounts

lie dormant. They look on it as good banking practice and good public relations to track down the owner or heirs.

The uniform law & how it works

The Uniform Disposition of Unclaimed Property Act is a model law drafted by the National Conference of Commissioners on Uniform State Laws. It deals with intangible personal property and the contents of safe-deposit boxes. At last count, 22 states had passed some version of the act: Alabama, Arizona, California, Florida, Georgia, Hawaii, Idaho, Illinois, Iowa, Maryland, Minnesota, Montana, Nebraska, New Mexico, Oklahoma, Oregon, South Dakota, Utah, Virginia, Washington, West Virginia and Wisconsin.

Variations from the model are plentiful, however. For example, the time periods may differ or the requirements for financial institutions, corporations and other holders to report unclaimed property may be loose in one place, stringent in another. And some states—Indiana and New York, for example—have well-regarded statutes that are not based on the model. New York has had a comprehensive law since 1911, the oldest in the nation.

The model law can't give you the precise details applicable to your state, but it can suggest what the possibilities for loss on your part are. The law says property that is unclaimed for seven years is presumed abandoned. Traveler's checks can go unmissed for 15 years, intangible personal property from a dissolved business, bank or financial organization is presumed abandoned after only two years.

The law considers your bank or savings and loan accounts abandoned unless you take any one of the following steps within seven years: You increase or decrease the amount in your account; you take your passbook or other evidence of deposit to the institution so interest or dividends may be credited; or you at least write to the bank or savings and loan about your account or show an interest in the account in some other way.

While the model law says the state can take your property, it's a custodial act, which means that the state must give the property back if you hold a valid claim to it. The model law specifies that the state must act on your claim within 90 days of filing or you can commence court action.

As a practical matter, authorities say, most claims are handled speedily. In the case of bank and savings and loan accounts, some institutions will simplify your recovery problems by paying the money directly to you. They then go to the state to recover what they have turned over. Promptness in recovering the money is important because you are losing

Picking up millions in little bits

States don't usually take in abandoned property in big amounts—it's \$1,200 here, \$25 there—but the total sum that people have left unclaimed is huge. Only a relatively small percentage is ever reclaimed by the owners or the heirs.

New York State, for instance, has collected \$265,800,000 in the 31 years that its law has been in existence. It has paid out about 12% of that. Illinois, which has had its present law only since 1901, has taken in some \$20,000,000 and paid out only about \$1,000,000.

Massachusetts officials do not keep track of the total collected over the 25 years its statute has been on the books, but last year they collected \$647,393 and the year before took in \$401,673. They paid out a total of \$125,963 for the two years. This year the waiting time before the state takes possession was cut from 14 years to 10 years, so the totals for the year probably will jump substantially.

The states handle and use the money in various ways. Often a large portion is put out at interest to gain income, with the remainder held back to pay claims that are lodged. In at least one state a governor has dipped casually into the funds to keep his state solvent. And in Massachusetts anything above \$100,000 goes directly into the state's general fund.

interest or dividends for all the time the state holds your money.

To protect what's yours

Even if you don't seem to know all the details of your state's law to keep its hands off your property, there are some things you should do.

- ▶ Make a list of everything you own, including bank accounts, savings certificates, life insurance, annuities, contents of safe-deposit boxes, and explain where you store the pertinent papers. Keep the list where it is sure to be found if anything happens to you.
- ▶ Notify everybody when you move. Don't forget your bank or savings and loan, any companies in which you own stock, your broker, businesses that owe you money or anyone holding property in trust for you.
- ▶ Cash all checks and get all utility company rebills promptly. Don't put away money orders or traveler's checks for a rainy day; you might forget them.
- ▶ Keep in regular touch with the financial institutions where you have accounts or a safe-deposit box. If you don't have to make a deposit or withdrawal, or do any other business with them over a period of time, write them a letter making it clear that you still take a very lively interest in what belongs to you.

Introduced: 1/25/77
Referred. Judiciary and Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 79

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Uniform Disposition of Unclaim-
7 ed Property Act; and providing for an effective date."

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

9 * Section 1. AS 09 is amended by adding a new chapter to read:

10 CHAPTER 51. UNCLAIMED PROPERTY.

11 Sec. 09.51.010. PROPERTY HELD BY BANKING OR FINANCIAL ORGANIZA-
12 TIONS OR BY BUSINESS ASSOCIATIONS. The following property held or
13 owed by a banking or financial organization or by a business association
14 is presumed abandoned:

15 (1) a demand, savings, or matured time deposit made in the
16 state with a banking organization, together with interest or dividend,
17 excluding charges that may lawfully be withheld, unless the owner has,
18 within seven years:

19 (A) increased or decreased the amount of the deposit,
20 or presented the passbook or other similar evidence of this
21 deposit for the crediting of interest; or

22 (B) corresponded in writing with the banking organi-
23 zation concerning the deposit; or

24 (C) otherwise indicated an interest in the deposit as
25 evidenced by a memorandum on file with the banking organization;

26 (2) funds paid in this state toward the purchase of shares
27 or other interest in a financial organization or deposit made with it
28 in the state, and interest or dividends excluding charges that may
29 lawfully be withheld, unless the owner has within seven years:

1 TIONS. (a) Unclaimed funds, as defined in this section, held and
2 owed by a life insurance corporation are presumed abandoned to this
3 state if, according to the records of the corporation, the last known
4 address of the person entitled to the funds is within the state. If a
5 person other than the insured or annuitant is entitled to the funds
6 and the address of the person is not known to the corporation or if it
7 is not definite and certain from the records of the corporation what
8 person is entitled to the funds, it is presumed that the last known
9 address of the person entitled to the funds is the same as the last
10 known address of the insured or annuitant according to the records of
11 the corporation.

12 (b) "Unclaimed funds", as used in this section, means money held
13 and owed by a life insurance corporation which is unclaimed and unpaid
14 for more than seven years after the money became due and payable as
15 established from the records of the corporation under a life or endow-
16 ment insurance policy or annuity contract which has matured or termi-
17 nated. A life insurance policy not matured by actual proof of the
18 death of the insured is considered to be matured and the proceeds of
19 it are considered to be due and payable if the policy was in force
20 when the insured attained the limiting age under the mortality table
21 on which the reserve is based, unless the person appearing entitled
22 to the proceeds has within the preceding seven years (1) assigned,
23 readjusted, or paid premiums on the policy, or subjected the policy to
24 loan, or (2) corresponded in writing with the life insurance corporation
25 concerning the policy. Money otherwise payable according to the
26 records of the corporation is considered to be due and payable although
27 the policy or contract has not been surrendered as required.

28 Sec. 09.51.030. DEPOSITS AND REFUNDS HELD BY UTILITIES. The
29 following funds held or owed by a utility are presumed abandoned

Introduced: 1/25/77
Referred: Judiciary and Finance

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16 state with a banking organization, together with interest or dividend,
17 excluding charges that may lawfully be withheld, unless the owner has,
18 within seven years:

19 (A) increased or decreased the amount of the deposit,
20 or presented the passbook or other similar evidence of this
21 deposit for the crediting of interest; or

22 (B) corresponded in writing with the banking organi-
23 zation concerning the deposit; or

24 (C) otherwise indicated an interest in the deposit as
25 evidenced by a memorandum on file with the banking organization.

26 (2) funds paid in this state toward the purchase of shares
27 or other interest in a financial organization or deposit made with it
28 in the state, and interest or dividends excluding charges that may
29 lawfully be withheld, unless the owner has within seven years:

1 (A) increased or decreased the amount of the funds or
2 deposit, or presented an appropriate record for the crediting of
3 interest or dividends; or

4 (B) corresponded in writing with the financial organi-
5 zation concerning the funds or deposit; or

6 (C) otherwise indicated an interest in the funds or
7 deposit as evidenced by a memorandum on file with the financial
8 organization;

9 (3) a sum payable on a check certified in this state or on
10 a written instrument issued in the state on which a banking or financial
11 organization or business association is directly liable, including but
12 not limited to, a certificate of deposit, draft, money order, and
13 traveler's check, which, with the exception of a traveler's check, has
14 been outstanding for more than seven years from the date of its
15 issuance if payable on demand, or, in the case of a traveler's check,
16 which has been outstanding for more than 15 years from the date of its
17 issuance, unless the owner has within seven years, or within 15 years
18 in the case of a traveler's check, corresponded in writing with the
19 banking or financial organization or business association concerning
20 it, or otherwise indicated an interest as evidenced by a memorandum on
21 file with the banking or financial organization or business association;

22 (4) funds or other personal property, tangible or intangible,
23 removed from a safe deposit box or other safekeeping repository or
24 agency or collateral deposit box in the state on which the lease or
25 rental period has expired due to nonpayment of rental charges or other
26 reason, or a surplus amount arising from the sale of the property
27 according to law that has been unclaimed by the owner for more than
28 seven years from the date on which the lease or rental period expired.

29 Sec. 09.51.020. UNCLAIMED FUNDS HELD BY LIFE INSURANCE CORPORA-

1 TIONS. (a) Unclaimed funds, as defined in this section, held and
2 owed by a life insurance corporation are presumed abandoned to this
3 state if, according to the records of the corporation, the last known
4 address of the person entitled to the funds is within the state. If a
5 person other than the insured or annuitant is entitled to the funds
6 and the address of the person is not known to the corporation or if it
7 is not definite and certain from the records of the corporation what
8 person is entitled to the funds, it is presumed that the last known
9 address of the person entitled to the funds is the same as the last
10 known address of the insured or annuitant according to the records of
11 the corporation.

12 (b) "Unclaimed funds", as used in this section, means money held
13 and owed by a life insurance corporation which is unclaimed and unpaid
14 for more than seven years after the money became due and payable as
15 established from the records of the corporation under a life or endow-
16 ment insurance policy or annuity contract which has matured or termi-
17 nated. A life insurance policy not matured by actual proof of the
18 death of the insured is considered to be matured and the proceeds of
19 it are considered to be due and payable if the policy was in force
20 when the insured attained the limiting age under the mortality table
21 on which the reserve is based, unless the person appearing entitled
22 to the proceeds has within the preceding seven years: (1) assigned,
23 readjusted, or paid premiums on the policy, or subjected the policy to
24 loan; or (2) corresponded in writing with the life insurance corporation
25 concerning the policy. Money otherwise payable according to the
26 records of the corporation is considered to be due and payable although
27 the policy or contract has not been surrendered as required.

28 Sec. 09.51.030. DEPOSITS AND REFUNDS HELD BY UTILITIES. The
29 following funds held or owed by a utility are presumed abandoned:

1 (1) a deposit made by a subscriber with a utility to secure
2 payment for, or a sum paid in advance for, utility services to be
3 furnished in this state, less any lawful deductions, that has remained
4 unclaimed by the person appearing on the records of the utility as
5 entitled to the deposit or advance payment for more than seven years
6 after the termination of the services for which the deposit or advance
7 payment was made;

8 (2) a sum received for utility services provided in this
9 state, which a utility has been ordered to refund, together with
10 interest on the sum, less lawful deductions, that has remained un-
11 claimed by the person appearing on the records of the utility as
12 entitled to the refund for more than seven years after the date it
13 became payable in accordance with the final determination or order
14 providing for the refund.

15 Sec. 09.51.040. UNDISTRIBUTED DIVIDENDS AND DISTRIBUTION OF
16 BUSINESS ASSOCIATIONS. A stock or other certificate of ownership, or
17 a dividend, profit, distribution, interest, payment on principal, or
18 other sum held or owed by a business association for or to a share-
19 holder, certificate holder, member, bondholder, or other security
20 holder, or a participating patron of a cooperative, who has not claimed
21 it, or corresponded in writing with the business association concerning
22 it, within seven years after the date prescribed for payment or de-
23 livery, is presumed abandoned if:

24 (1) it is held or owed by a business association organized
25 under the laws of or created in this state; or

26 (2) it is held or owed by a business association doing
27 business in this state, but not organized under the laws of or created
28 in this state, and the records of the business association indicate
29 that the last known address of the person entitled to it is in this

1 state.

2 Sec. 09.51.050. PROPERTY OF BUSINESS ASSOCIATIONS AND BANKING OR
3 FINANCIAL ORGANIZATIONS HELD IN COURSE OF DISSOLUTION. Intangible
4 personal property distributable in the course of a voluntary dissolution
5 of a business association, banking organization, or financial organiza-
6 tion organized under the laws of or created in this state, which is
7 unclaimed by the owner within two years after the date for final dis-
8 tribution, is presumed abandoned.

9 Sec. 09.51.060. PROPERTY HELD BY FIDUCIARIES. Intangible personal
10 property and income or increment on the property, held in a fiduciary
11 capacity for the benefit of another person is presumed abandoned
12 unless the owner has, within seven years after it becomes payable or
13 distributable, increased or decreased the principal, accepted payment
14 of principal or income, corresponded in writing concerning the property,
15 or otherwise indicated an interest as evidenced by a memorandum on
16 file with the fiduciary:

17 (1) if the property is held by a banking organization or a
18 financial organization, or by a business association organized under
19 the laws of or created in this state; or

20 (2) if it is held by a business association, doing business
21 in this state, but not organized under the laws of or created in this
22 state, and the records of the business association indicate that the
23 last known address of the person entitled to the property is in this
24 state; or

25 (3) if it is held in this state by any other person.

26 Sec. 09.51.070. PROPERTY HELD BY STATE COURTS AND PUBLIC OFFICERS
27 AND AGENCIES. Intangible personal property held for the owner by a
28 court, public corporation, public authority, or public officer of this
29 state, or a political subdivision of this state, which has remained

1 unclaimed by the owner for more than seven years, is presumed abandoned.

2 Sec. 09.51.080. MISCELLANEOUS PERSONAL PROPERTY HELD FOR ANOTHER
3 PERSON. Intangible personal property, not otherwise covered by this
4 chapter, including income from or increment to the property and deduct-
5 ing any lawful charges, which is held or owed in this state in the
6 ordinary course of the holder's business and has remained unclaimed by
7 the owner for more than seven years after it became payable or distri-
8 butable, is presumed abandoned.

9 Sec. 09.51.090. RECIPROCITY FOR PROPERTY PRESUMED ABANDONED OR
10 ESCHEATED UNDER THE LAWS OF ANOTHER STATE. If specific property which
11 is subject to the provisions of secs. 10 - 80 of this chapter is held
12 for or owed by or distributable to an owner whose last known address
13 is in another state by a holder who is subject to the jurisdiction of
14 that state, the specific property is not presumed abandoned in this
15 state and subject to this chapter if:

16 (1) it may be claimed as abandoned or escheated under the
17 laws of the other state; and

18 (2) the laws of the other state make reciprocal provision
19 that similar specific property is not presumed abandoned or escheat-
20 able by the other state when held for or owed by or distributable to
21 an owner whose last known address is within this state by a holder who
22 is subject to the jurisdiction of this state.

23 Sec. 09.51.100. REPORT OF ABANDONED PROPERTY. (a) Each person
24 holding funds or other property, tangible or intangible, presumed
25 abandoned under this chapter shall report to the commissioner of
26 revenue with respect to the property as provided in (b) of this section.

27 (b) The report required by (a) must be verified and include:

28 (1) except in the case of traveler's checks and money
29 orders, the name, if known, and last known address, if any, of each

1 person from the records of the holder appearing to be the owner of prop-
2 erty of the value of \$10 or more presumed abandoned under this chapter;

3 (2) in case of unclaimed funds of life insurance corpora-
4 tions, the full name of the insured or annuitant and his last known
5 address according to the life insurance corporation's records;

6 (3) the nature and identifying number, if any, or descrip-
7 tion of the property and the amount appearing from the records to be
8 due, except that items of value under \$10 each may be reported in the
9 aggregate;

10 (4) the date when the property became payable, demandable,
11 or returnable, and the date of the last transaction with the owner
12 with respect to the property; and

13 (5) other information which the commissioner may require by
14 regulation as necessary for the administration of this chapter.

15 (c) If the person holding property presumed abandoned is a
16 successor to other persons who previously held the property for the
17 owner, or if the holder has changed his name while holding the prop-
18 erty, he shall file with his report all previously known names and
19 addresses of each holder of the property.

20 (d) The report must be filed before September 1 of each year.
21 The commissioner may postpone the reporting date upon written request
22 by any person required to file a report.

23 (e) If the holder of property presumed abandoned under this
24 chapter knows the location of the owner and if the owner's claim has
25 not been barred by the statute of limitations, the holder shall,
26 before filing the annual report, communicate with the owner and take
27 necessary steps to prevent abandonment from being presumed. The
28 holder shall exercise due diligence to ascertain the location of the
29 owner.

1 (f) Verification, if made by a partnership, must be executed by
2 a partner; if made by an unincorporated association or private corpora-
3 tion, by an officer; and if made by a public corporation, by its chief
4 fiscal officer.

5 (g) The initial report filed under this chapter must include all
6 items of property that would have been presumed abandoned if this
7 chapter had been in effect during the 10 year period preceding its
8 effective date.

9 Sec. 09.51.110. NOTICE AND PUBLICATION OF LISTS OF ABANDONED
10 PROPERTY. (a) Within 120 days after the filing of the report required
11 by sec. 100 of this chapter, the commissioner shall have notice publish-
12 ed at least once each week for two successive weeks in a newspaper of
13 general circulation in the judicial district in this state in which is
14 located the last known address of any person named in the notice. If
15 no address is listed or if the address is outside this state, the
16 notice must be published in the judicial district in which the holder
17 of the abandoned property has his principal place of business within
18 this state.

19 (b) The published notice shall be entitled "notice of names of
20 persons appearing to be owners of abandoned property," and shall
21 contain:

22 (1) the names in alphabetical order and last known addresses,
23 if any, of persons listed in the report and entitled to notice within
24 the judicial district as specified in (a) of this section;

25 (2) a statement that information concerning the amount or
26 description of the property and the name and address of the holder may
27 be obtained by any persons possessing an interest in the property by
28 addressing an inquiry to the commissioner;

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

1 the owner to the holder and if the owner's right to receive the property
2 is not established to the holder's satisfaction within 65 days after the
3 date of the second published notice, the abandoned property will be
4 placed not later than 85 days after the publication date in the custody
5 of the commissioner to whom all further claims must be directed.

6 (c) The commissioner is not required to publish in the notice an
7 item of less than \$25 unless he considers publication to be in the
8 public interest.

9 (d) Within 120 days after the receipt of the report required by
10 sec. 100 of this chapter, the commissioner shall mail a notice to each
11 person having an address listed in the report who appears to be entitl-
12 ed to property of the value of \$25 or more presumed abandoned under
13 this chapter.

14 (e) The mailed notice must contain:

15 (1) a statement that, according to a report filed with the
16 commissioner, property is being held to which the addressee appears
17 entitled;

18 (2) the name and address of the person holding the property
19 and necessary information regarding changes of name and address of the
20 holder;

21 (3) a statement that, if satisfactory proof of claim is not
22 presented by the owner to the holder by the date specified in the
23 published notice, the property will be placed in the custody of the
24 commissioner to whom all further claims must be directed.

25 (f) This section is not applicable to sums payable on traveler's
26 checks or money orders presumed abandoned under sec. 10 of this chapter.

27 Sec. 09.51.120. PAYMENT OR DELIVERY OF ABANDONED PROPERTY. A
28 person who has filed a report under sec. 100 of this chapter, within
29 20 days after the time specified in sec. 110 of this chapter, for

1 claiming the property from the holder, or in the case of sums payable
2 on traveler's checks or money orders presumed abandoned under sec.
3 10 of this chapter, within 20 days after the filing of the report,
4 shall pay or deliver to the commissioner all abandoned property specified
5 in this report, except that, if the owner establishes his right to
6 receive the abandoned property to the satisfaction of the holder
7 within the time specified in sec. 110 of this chapter, or if it appears
8 that for some other reason the presumption of abandonment is erroneous,
9 the holder need not pay or deliver the property, which will no longer
10 be presumed abandoned, to the commissioner, but shall file a verified
11 written explanation of the proof of claim or of the error in the
12 presumption of abandonment.

13 Sec. 09.51.130. RELIEF FROM LIABILITY BY PAYMENT OR DELIVERY.

14 Upon the payment or delivery of abandoned property to the commissioner,
15 the state shall assume custody and shall be responsible for the safe-
16 keeping of the property. A person who pays or delivers abandoned
17 property to the commissioner under this chapter is relieved of all
18 liability to the extent of the value of the property paid or delivered
19 for any claim which exists or which may arise or be made in respect to
20 the property. A holder who has paid money to the commissioner under
21 this chapter may make payment to a person appearing to the holder to
22 be entitled to it, and upon proof of payment and proof that the payee
23 was entitled to it, the commissioner shall reimburse the holder for
24 the payment.

25 Sec. 09.51.140. INCOME ACCRUING AFTER PAYMENT OR DELIVERY. When
26 property is paid or delivered to the commissioner under this chapter,
27 the owner is not entitled to receive income or other increments accruing
28 after the property is paid or delivered.

29 Sec. 09.51.150. PERIODS OF LIMITATION NOT A BAR. The expiration