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

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

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

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

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

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

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

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

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

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

1 provides otherwise.

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

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

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

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

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

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

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

6 ARTICLE 4. REPORTING AND DISPOSITION OF PERSONAL PROPERTY.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 this section or by regulations adopted by the department.

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

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

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

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

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

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

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

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

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

21 (e) The mailed notice must contain

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 ARTICLE 5. ADMINISTRATION OF ABANDONED PROPERTY.

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

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

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

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

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

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

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

1 reasonable business hours.

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

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

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

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

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

25 (3) reasonable service charges; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 may apply to the department and request a formal hearing

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

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

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

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

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

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

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

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

24 ARTICLE 6. ENFORCEMENT AND PENALTIES.

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

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

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

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

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

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

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

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

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

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

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

20 ARTICLE 7. UNIFORM ACT GENERAL PROVISIONS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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(B) a trustee, or

(C) indebted to another on an obligation;

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

(10) "intangible property" includes

(A) money, checks, drafts, deposits, interest, dividends, and income;

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

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

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

(E) amounts due and payable under the terms of insurance policies; and

(F) amounts distributable from a trust or custodial fund established under a plan to provide health, welfare, pension, vacation, severance, retirement, death, stock purchase, profit sharing, employee savings, supplemental unemployment insurance, or similar benefits;

(11) "last known address" means a description of the location of the apparent owner sufficient for the purpose of the delivery of mail;

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

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

12 (14) "property" means personal property;

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

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

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

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

24 ARTICLE 12A. REAL PROPERTY ESCHEATED TO STATE.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Senate Finance Committee

Senator Jan Falks, Co-Chairman Senator John Sackett, Co-Chairman

5/8/86

SCS for CSHB 182 (Finance)

Amendment #1: p 13, line 9
 p 14, line 26

Amentment #2: p 11, line 6

Amendment #3: p 18, line 24

Amendment #4: p 17, line 12

Amendment #5: p 17, line 15

Amendment #6: p 20, line 4

VICKI
Cap Rm 413
(4935)

Plez return asap... THANK!

COMMITTEE REPORT
SENATE

FURTHER:

5/2/86

Date 5/8/86

Mr. President

The Committee on FINANCE considered CSHB 182(Fin)
relating to the disposition of unclaimed property.

and (a majority of the committee) (the committee) reports it back with
the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt SCS for CS HB 182 (Fin)
- new title
- same title and recommends "DO PASS"
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
100.2/(4200.0) = HFC
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING

DO PASS

Kubicki
McLennan
Jensen
J. Hart

MEMBERS HAVING

OTHER RECOMMENDATIONS

Paul Gruber, NRC

Chairman
do pass
Chairman recommendation

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date : 4/25/86

REQUEST Page 1 of 2

Bill/Resolution No. : CSHB 182 (FIN)
 Title : Unclaimed Property

Sponsor : Governor
 Requester : House Finance Committee
 Date : 4/25/86

FISCAL DETAIL

Agency Affected : Revenue
 BRU : Audit

Components : Audit Administration

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		59.2	---	---	---	---
TRAVEL		1.0	---	---	---	---
CONTRACTUAL		40.0	---	---	---	---
SUPPLIES		0	---	---	---	---
EQUIPMENT		0	---	---	---	---
LAND & STRUCTURES		0	---	---	---	---
GRANTS, CLAIMS		0	---	---	---	---
MISCELLANEOUS		0	---	---	---	---
TOTAL OPERATING		100.2	---	---	---	---

CAPITAL		0	0	0	0	0
---------	--	---	---	---	---	---

REVENUE		4200.0	---	---	---	---
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FUNDING : (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS		0				
OTHER		100.2				
TOTAL		100.2				

POSITIONS :

FULL-TIME		2				
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : Al Adams, Chair Phone : 465-3706
 Division : House Finance Committee Date : 4/25/86

Approved by Commissioner : _____ Date : _____
 Agency : _____

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

ANALYSIS OF FISCAL NOTE FOR CS HB 182 (FIN)

FY 87:

Page 2 of 2

Expenditures

Personal Services---

Unclaimed Property Administrator (Range 18 for
9 months)

\$ 36.7

Tax Examiner I (Range 10 for 9 months)

\$ 22.5

Subtotal

\$ 59.2

Travel---

Training and seminars by NAUPA

\$ 1.0

Contractual---

Advertising, postage, data processing,
telecommunications, forms design and printing

\$ 40.0

Total Expenditures \$100.0

Revenue

Passage of the bill will immediately generate \$1.7 million in new revenue for the general fund. This is because the balance of the existing unclaimed property trust fund is about \$1.8 million and the bill allows the department to keep \$100,000 in the fund to pay claims before transferring the remainder to the general fund. The rest of the revenue estimate is computed at \$5 (national average annual receipt: low estimate) x 500,000 (state population estimate) for a total of \$2.5 million. Thus, total estimated revenues generated by the bill equal \$4.2 million.

Funding Source

Since the bill provides for funding of operating costs with program receipts, the funding source for this fiscal note is other funds.

FY88 AND FUTURE FISCAL YEARS:

There will be fiscal impact from the bill in future fiscal years. It will continue to generate revenue. Although exact estimates cannot be determined, the national average estimate is a good indicator of the revenue potential.

Operating expenses will also continue in the future. The budget process will determine the actual level of funding provided.

Offered: 4/29/86
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 SCS CS FOR HOUSE BILL NO. 182 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the disposition of unclaimed
7 property."

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

9 * Section 1. AS 06.05.470(x) is amended to read:

10 (x) Unclaimed funds remaining after the completion of the liq-
11 uidation by the department shall be handled in accordance with AS 34.-
12 45.110 - 34.45.780 [RETAINED FOR FIVE YEARS BY IT UNLESS SOONER
13 CLAIMED BY THE OWNER. AFTER THAT, THE REMAINING SUM SHALL BE TRANS-
14 FERRED TO THE GENERAL FUND].

15 * Sec. 2. AS 06.25.085 is amended to read:

16 Sec. 06.25.085. APPLICATION OF GENERAL BANKING LAWS. The pro-
17 visions of AS 06.05.005 - 06.05.085, 06.05.090 06.05.270, 06.05.307,
18 06.05.320 - 06.05.327, 06.05.405 - 06.05.425, 06.05.440 - 06.05.445,
19 [06.05.460,] 06.05.462, 06.05.465 - 06.05.515 and 06.05.525 - 06.05.-
20 545 apply to all trust companies engaged in any phase of the business
21 of banking as that term is defined by AS 06.05.540(3) or AS 06.25.100.

22 * Sec. 3. AS 10.15.520 is amended to read:

23 Sec. 10.15.520. DEPOSIT WITH DEPARTMENT OF AMOUNT DUE PERSONS
24 WHO CANNOT BE FOUND. Upon the voluntary or involuntary dissolution of
25 a cooperative, the portion of the assets distributable to a creditor,
26 member, shareholder or patron or other person unknown or who cannot be
27 found, or who is under a disability with [AND THERE IS] no person
28 legally competent to receive the distributive portion, shall be re-
29 duced to cash, and within six months after the final dividend in the

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

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

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

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

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

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

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

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

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

1 state and is subject to AS 38.95.200 - 38.95.270.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 cease payment of interest.

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

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

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

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

1 the company.

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

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6 (1) the company ~~knows~~ ^{HAS RECEIVED DUE PROOF} that the insured or annuitant has
7 died; or

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

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

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

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

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

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

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

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

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

20 (2) the address of each beneficiary; and

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

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

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

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

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

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

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

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

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

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

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

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

26 INSERT section.

27 *NEW* *(F)* *SUBSECTION* Sec. 34.45.210. PROPERTY OF BUSINESS ASSOCIATIONS HELD IN COURSE
28 OF DISSOLUTION. Except for intangible property distributable under
29 AS 06.05.465, intangible property distributable in the course of a

1 dissolution of a business association that remains unclaimed by the
2 owner for more than one year after the date specified for final dis-
3 tribution is presumed abandoned.

4 Sec. 34.45.220. PROPERTY HELD BY AGENTS AND FIDUCIARIES. (a)
5 Intangible property and income or increment derived from the intan-
6 gible property held in a fiduciary capacity for the benefit of another
7 person is presumed abandoned unless the owner, within five years after
8 it has become payable or distributable, has increased or decreased the
9 principal, accepted payment of principal or income, communicated
10 concerning the property, or otherwise indicated an interest as evi-
11 denced by a memorandum or other record, on file, prepared by the fidu-
12 ciary.

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

19 (c) For the purpose of this section, a person who holds property
20 as an agent for a business association is considered as holding the
21 property in a fiduciary capacity for that business association alone,
22 unless the agreement between that person and the business association
23 provides otherwise.

24 (d) For the purposes of this chapter, a person who is considered
25 as holding property in a fiduciary capacity for a business association
26 alone is the holder of the property only so far as the interest of the
27 business association in the property is concerned, and the business
28 association is the holder of the property so far as the interest of
29 another person in the property is concerned.

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

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

12 (b) In the case of a gift certificate, the amount presumed
13 abandoned is the price paid by the purchaser for the gift certificate.
14 In the case of a credit memo, the amount presumed abandoned is the
15 amount credited to the recipient of the memo.

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

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

28 ARTICLE 4. REPORTING AND DISPOSITION OF PERSONAL PROPERTY.

29 Sec. 34.45.280. REPORT OF ABANDONED PERSONAL PROPERTY. (a) A

1 person holding personal property, tangible or intangible, presumed
2 abandoned and subject to custody as unclaimed property under AS 34.-
3 45.110 - 34.45.430, shall report to the department concerning the
4 property as provided in this section.

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

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

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12 (2) in the case of unclaimed money amounting to ~~\$25~~^{\$50} or
13 more, held or owing under a life or endowment insurance policy or
14 annuity contract, the full name and last known address of the insured
15 or annuitant and of the beneficiary ^{OR OTHER PERSON WHO IS ENTITLED TO THE PROCEEDS} according to the records of the
16 insurance company holding or owing the funds;

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

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

24 (5) the date the property became payable, demandable, or
25 returnable, and the date of the last transaction with the apparent
26 owner with respect to the property; and

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

29 (c) If the holder of property presumed abandoned and subject to

1 custody as unclaimed property is a successor to other persons who
2 previously held the property for the apparent owner, or the holder has
3 changed the holder's name while holding the property, the holder shall
4 file with the holder's report all known names and addresses of each
5 previous holder of the property.

6 (d) The report required under (a) of this section shall be filed
7 before November 1 of each year for unclaimed property held as of June
8 30 of that year, but the report of a life insurance company shall be
9 filed before May 1 of each year for unclaimed property held as of
10 December 31 of the preceding year. On written request by a person
11 required to file a report, the commissioner may postpone the reporting
12 date.

13 (e) Not more than 120 days before filing the report required by
14 this section, the holder in possession of property presumed abandoned
15 and subject to custody as unclaimed property under AS 34.45.110 -
16 34.45.430 shall send written notice to the apparent owner at the
17 owner's last known address informing the owner that the holder is in
18 possession of property subject to this chapter if

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

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

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

24 (f) ~~The requirements of this section do not apply to the holder~~
25 ~~of gift certificates and credit memos that are presumed abandoned~~
26 ~~under AS 34.45.240 during the year preceding June 30 of each year if~~
27 ~~the total aggregate value of the certificates and memos is less than~~
28 \$250.

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NEW
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29 Sec. 34.45.290. REQUESTS FOR REPORTS AND EXAMINATION OF RECORDS.

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

5 (b) The department, at reasonable times and upon reasonable
6 notice, may examine the records of a person if the department has
7 reason to believe that the person has not complied with the provisions
8 of this chapter. The department may conduct the examination even if
9 the person believes that the person does not possess property report-
10 able or deliverable under this chapter. The department may use the
11 information obtained under this subsection only for the purposes of
12 this chapter. The department, or a current or former officer, em-
13 ployee, or agent of the department, may not disclose information that
14 is viewed or obtained during the course of an examination under this
15 subsection and that is confidential under state or federal law or
16 regulation, unless the disclosure is necessary to carry out the pur-
17 poses of this chapter.

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

24 (d) If, after the effective date of this Act, a holder fails to
25 maintain the records required by AS 34.45.300 and the records of the
26 holder available for the periods subject to AS 34.45.110 - AS 34.-
27 45.780 are insufficient to permit the preparation of a report, the
28 department may require the holder to report and pay the amount that is
29 reasonably estimated from the available records.

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1 Sec. 34.45.300. RETENTION OF RECORDS. (a) Every holder re-
2 quired to file a report under AS 34.45.280, shall, if it has obtained
3 the last known address of the owner, maintain a record of the name and
4 last known address of the owner for ~~X~~⁷ years after the property be-
5 comes reportable, unless a shorter time period is provided in (b) of
6 this section or by regulations adopted by the department.

7 (b) A business association that sells, or provides such instru-
8 ments to others for sale, in the state its traveler's checks, money
9 orders, or other similar written instruments, other than third-party
10 bank checks on which the business association is directly liable,
11 shall maintain a record of the instruments while they remain outstand-
12 ing, indicating the state and date of issue, for three years after the
13 date the property is reportable.

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

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

28 (1) the names, in alphabetical order, and last known ad-
29 dress, if any, of persons listed in the reports and entitled to notice

1 within the area as specified in (a) of this section;

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

5 (3) a statement that if proof of claim is not presented by
6 the owner to the holder, and the owner's right to receive the property
7 is not established to the holder's satisfaction before April 20 of the
8 year of publication, or, in the case of property reported by a life
9 insurance company, before October 20, the property will be placed not
10 later than May 1 of that year, or in the case of property reported by
11 a life insurance company, not later than November 1, in the custody of
12 the department and all further claims shall be directed to the depart-
13 ment after that placement.

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

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

26 (e) The mailed notice must contain

27 (1) a statement that, according to a report filed with the
28 department, property to which the addressee appears entitled is being
29 held;

1 (2) the name and last known address of the person holding
2 the property and information regarding the changes of name and last
3 known address of the holder; and

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

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

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

17 (b) If the owner establishes the right to receive the abandoned
18 property to the satisfaction of the holder before the property has
19 been delivered or if it appears that the presumption of abandonment is
20 erroneous, the holder need not pay or deliver the property to the
21 department, and the property is no longer presumed abandoned. The
22 holder shall file with the department a verified written explanation
23 of the proof of claim or of the error in the presumption of abandon-
24 ment.

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

28 (d) The holder of an ownership interest under AS 34.45.200 shall
29 deliver a duplicate certificate, or other evidence of ownership if the

1 holder does not issue certificates of ownership, to the department.
2 Upon delivery of a duplicate certificate to the department, the holder
3 and a transfer agent, registrar, or other person acting for or on
4 behalf of a holder in executing or delivering the duplicate certifi-
5 cate is relieved of all liability, in accordance with the provisions
6 of AS 34.45.330 to every person, including a person acquiring the
7 original certificate or the duplicate of the certificate issued to the
8 department, for loss or damage resulting to a person by the issuance
9 and delivery to the department of the duplicate certificate.

10 Sec. 34.45.330. CUSTODY BY STATE. (a) Upon the payment or
11 delivery of property to the department, the state assumes custody and
12 responsibility for the safekeeping of the property. A person who pays
13 or delivers property to the department in good faith is relieved of
14 all liability to the extent of the value of the property paid or
15 delivered for a claim existing at the time of the payment or delivery
16 or that may arise or be made with respect to the property after the
17 payment or delivery.

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

1 a person whose claim was barred under AS 34.45.430.

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

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

11 (e) If a holder pays or delivers property to the department in
12 good faith and another person subsequently claims the property from
13 the holder or another state claims the property under the laws of the
14 other state relating to escheat or unclaimed property, the department,
15 upon receiving written notice of the claim, shall defend the holder
16 against the claim and indemnify the holder against liability on the
17 claim.

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

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

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

29 (2) the person delivering the property was not a fiduciary

1 then in breach of trust in respect to the property, and had a reason-
2 able basis for believing, based on the facts then known to the person,
3 that the property was abandoned for the purposes of this chapter; and

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

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

14 ARTICLE 5. ADMINISTRATION OF ABANDONED PROPERTY.

15 Sec. 34.45.360. PUBLIC SALE OF ABANDONED PROPERTY. (a) Except
16 as provided in (c) and (d) of this section, the department, within
17 three years after receiving abandoned property, shall sell it to the
18 highest bidder at public sale in the area of the state that the de-
19 partment determines to be the most favorable market for the property
20 involved. The department may decline the highest bid and reoffer the
21 property for sale if in the judgment of the department the bid is
22 insufficient. If in the judgment of the department the probable cost
23 of sale exceeds the value of the property, the department need not
24 offer the property for sale. A sale held under this section shall be
25 preceded by a single publication of notice, at least three weeks in
26 advance of sale, in a newspaper of general circulation in the general
27 area in which the property is to be sold.

28 (b) Securities listed on an established stock exchange must be
29 sold at prices prevailing at the time of sale on the exchange. Other

1 securities may be sold over the counter at prices prevailing at the
2 time of sale or by another method the department considers advisable.

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

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

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

25 Sec. 34.45.370. DEPOSIT OF MONEY AND ACCOUNTING. (a) Except as
26 otherwise provided by this section, the department shall promptly
27 deposit in the general fund of the state all money received under
28 AS 34.45.110 - 34.45.780, including the proceeds from the sale of
29 abandoned property under AS 34.45.360. The department shall retain in

1 a separate trust fund an amount not less than \$100,000 from which the
2 department shall make prompt payment of allowed claims. Before making
3 the deposit, the department shall record the name and last known
4 address of each person appearing from the holders' reports to be
5 entitled to the property and the name and last known address of each
6 insured person or annuitant and beneficiary and, with respect to each
7 policy or contract listed in the report of an insurance company, its
8 number, the name of the company, and the amount due. The department
9 shall make the record available for public inspection at all rea-
10 sonable business hours.

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

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

20 (b) The department shall consider each claim after it is filed
21 and shall give written notice to the claimant if the claim is denied
22 in whole or in part. The notice may be given by mailing it to the ad-
23 dress, if any, stated in the claim as the address to which notices are
24 to be sent. If an address for notices is not stated in the claim, the
25 notice may be mailed to the address, if any, of the claimant as stated
26 in the claim. A notice of denial need not be given if the claim
27 states neither the address to which notices are to be sent nor the
28 address of the claimant.

29 (c) If a claim is allowed, the department shall pay or deliver

1 to the claimant the property or the amount the department actually
2 received, or the net proceeds if it has been sold by the department,
3 together with an additional amount required by AS 34.45.340. For the
4 purposes of determining net proceeds after sale of the property, the
5 department may deduct

6 (1) costs incurred in connection with the sale of the
7 property;

8 (2) costs of mailing and publication in connection with the
9 property;

10 (3) reasonable service charges; and

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

13 (d) If a claim is allowed and the property claimed was inter-
14 est-bearing to the owner on the date of surrender by the holder, the
15 department also shall pay interest at the rate prescribed in AS 45.-
16 45.010 or a lesser rate the property earned while in the possession of
17 the holder. Interest begins to accrue when the property is delivered
18 to the department and ceases on the expiration of 10 years after
19 delivery or the date on which payment is made to the owner, whichever
20 is earlier. The department may not pay interest on interest-bearing
21 property for a period occurring before the effective date of this Act.

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

27 (f) Unless another state files a claim to recover the property,
28 if the identity of the owner of the property is known, the department
29 shall apply the fair market value of the property to satisfaction of

1 the child support obligations of the owner.

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

5 (1) this state took custody of the property because the
6 records of the holder did not reflect the last known address of the
7 apparent owner when the property was presumed abandoned under this
8 chapter, the person entitled to the property was in the other state,
9 and under the laws of the other state the property escheated to or was
10 subject to a claim of abandonment by that state;

11 (2) the last known address of the apparent owner or other
12 person entitled to the property, as reflected by the records of the
13 holder, is in the other state and under the laws of the other state
14 the property has escheated to or become subject to a claim of abandon-
15 ment by that state;

16 (3) the records of the holder were erroneous in that they
17 did not accurately reflect the actual owner of the property and the
18 last known address of the actual owner is in the other state and under
19 the laws of the other state the property escheated to or was subject
20 to a claim of abandonment by the other state;

21 (4) this state took custody of the property under AS 34.-
22 45.120(6), and, under the laws of the state of domicile of the holder,
23 the property has escheated to or become subject to a claim of aban-
24 donment by the state of domicile; or

25 (5) the property is the sum payable on a traveler's check,
26 money order, or other similar instrument of which this state took
27 custody under AS 34.45.140, and the instrument was purchased in the
28 other state, and, under the laws of the other state, the property
29 escheated to or became subject to a claim of abandonment by the other

1 state.

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

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

9 Sec. 34.45.400. ACTION TO ESTABLISH CLAIM. (a) A person ag-
10 grievied by a decision or action of the department under this chapter
11 may apply to the department within 60 days after the mailing date of
12 the department's notice to the person, giving notice of the grievance
13 and requesting an informal conference. At the conference the person
14 aggrieved may present arguments and evidence relevant to the decision
15 or action of the department. If the department determines that a
16 correction is warranted, the department shall make the correction.

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

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

22 (2) within 30 days after the decision resulting from an
23 informal conference.

24 (c) At the formal hearing the department may subpoena witnesses
25 and may administer oaths and make inquiries necessary to determine the
26 validity of the claim. The person aggrieved may present arguments and
27 evidence relevant to the decision or action of the department. If the
28 department determines that a correction is warranted, the department
29 shall make the correction.

1 (d) A person aggrieved by the decision of the department may,
2 within 30 days after the formal hearing and decision by the depart-
3 ment, appeal to the superior court in the judicial district in which
4 the person resides. The department shall give appellant access to the
5 department's file in the matter for preparation of the appeal. If,
6 after the appeal is heard, it appears that the decision of the depart-
7 ment was correct, the court shall confirm that decision. If incorrect
8 the court shall determine the amount that the person aggrieved is
9 entitled to recover and shall order the repayment. The department
10 shall immediately pay the amount due and attach a certified copy of
11 the judgment to the payment.

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

17 (b) A holder, with the written consent of the department and
18 upon terms prescribed by the department, may report and deliver prop-
19 erty before the property is presumed abandoned. Property delivered
20 under this subsection shall be held by the department and is not pre-
21 sumed abandoned until the property would otherwise be presumed aban-
22 doned under this chapter.

23 Sec. 34.45.420. DESTRUCTION OR DISPOSITION OF PROPERTY HAVING
24 INSUBSTANTIAL COMMERCIAL VALUE. If the department determines after
25 investigation that property delivered under this chapter has insub-
26 stantial commercial value, the department may destroy or otherwise
27 dispose of the property at any time. An action or proceeding may not
28 be maintained against the state or an officer of the state or against
29 the holder because of an action taken by the department under this

1 section.

2 Sec. 34.45.430. PERIODS OF LIMITATION. The expiration, before
3 or after the effective date of this Act, of a period of time specified
4 by contract, statute, or court order, during which a claim for money
5 or property may be made or during which an action or proceeding may be
6 commenced or enforced to obtain payment of a claim for money or to
7 recover property, does not prevent the money or property from being
8 presumed abandoned, and does not affect a duty to file a report or to
9 pay or deliver abandoned property to the department as required by
10 AS 34.45.110 - 34.45.430.

11 ARTICLE 6. ENFORCEMENT AND PENALTIES.

12 Sec. 34.45.450. ENFORCEMENT. The department may bring an action
13 in a court of competent jurisdiction to enforce AS 34.45.110 - 34.45.-
14 780.

15 Sec. 34.45.460. INTERSTATE AGREEMENTS AND COOPERATION. (a) The
16 department may enter into agreements with other states to exchange
17 information needed to enable this or another state to audit or other-
18 wise determine unclaimed personal property that this state or another
19 state may be entitled to subject to a claim of custody. The depart-
20 ment may, by regulation, require the reporting of information needed
21 to enable compliance with agreements made under this section, and
22 prescribe the form for the report.

23 (b) To avoid conflicts between the department's procedures and
24 the procedures in other jurisdictions that enact the Uniform Unclaimed
25 Property Act, the department, so far as is consistent with the pur-
26 poses, policies, and provisions of this chapter, shall, before adopt-
27 ing, amending, or repealing regulations, advise and consult with
28 administrators in other jurisdictions that enact, substantially, the
29 Uniform Unclaimed Property Act, and shall take into consideration the

1 rules of administrators in other jurisdictions that enact the Uniform
2 Unclaimed Property Act.

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

6 (d) At the request of another state, the attorney general of
7 this state may bring an action in the name of the other state in a
8 court of competent jurisdiction to enforce the unclaimed property laws
9 of the other state against a holder in this state of property subject
10 to escheat or a claim of abandonment by the other state. An action
11 may be brought under this subsection only if the other state has
12 agreed to pay expenses incurred by the attorney general of this state
13 in bringing the action.

14 (e) The department may request that the attorney general of
15 another state, or another person, bring an action to enforce this
16 chapter in the other state in the name of the department. This state
17 shall pay all expenses including attorney fees in an action under this
18 subsection. The department may agree to pay the person bringing the
19 action attorney fees based in whole or in part on a percentage of the
20 value of property recovered in the action. Expenses paid under this
21 subsection may not be deducted from the amount that is subject to a
22 claim by the owner under AS 34.45.110 - 34.45.430.

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

28 (b) A person who fails to pay or deliver property or fails to
29 perform other duties required under this chapter may be required to

1 pay the civil penalties calculated under AS 43.05.220, on the proper-
2 ty, or the value of the property, that the person had a duty to pay,
3 deliver, or report to the department.

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

7 ARTICLE 7. GENERAL PROVISIONS.

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

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

15 Sec. 34.45.720. APPLICATION. (a) AS 34.45.110 - 34.45.780 do
16 not relieve a holder of a duty that arose before the effective date of
17 this Act to report, pay, or deliver property. A holder who did not
18 comply with the law in effect before the effective date of this Act is
19 subject to the applicable enforcement and penalty provisions that
20 existed before the effective date of this Act, and the applicable
21 enforcement and penalty provisions are continued in effect for the
22 purpose of this subsection.

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

29 Sec. 34.45.730. REGULATIONS. The department shall adopt

1 regulations necessary to carry out the provisions of AS 34.45.110 -
2 34.45.780.

3 Sec. 34.45.740. UNIFORMITY OF APPLICATION AND CONSTRUCTION.
4 AS 34.45.110 - 34.45.780 shall be applied and construed so as to
5 effectuate their general purpose to make uniform the law with respect
6 to unclaimed property among states enacting the Uniform Unclaimed
7 Property Act.

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

14 Sec. 34.45.760. DEFINITIONS. In AS 34.45.110 - 34.45.780,
15 unless the context requires otherwise,

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

19 (2) "banking organization" means a bank, trust company,
20 savings bank, industrial bank, land bank, safe deposit company, pri-
21 vate banker, or an organization defined by other applicable laws as a
22 bank or banking organization;

23 (3) "business association" means a nonpublic corporation,
24 joint stock company, investment company, business trust, partnership,
25 or association for business purposes of two or more individuals,
26 whether or not for profit, including a banking organization, financial
27 organization, insurance company, or utility;

28 (4) "commissioner" means the commissioner of the Department
29 of Revenue;

- 1 (5) "department" means the Department of Revenue;
- 2 (6) "domicile" means the state of incorporation of a corpo-
3 ration and the state of the principal place of business of an unincor-
4 porated person;
- 5 (7) "financial organization" means a savings and loan
6 association, cooperative bank, building and loan association, or
7 credit union;
- 8 (8) "holder" means a person, wherever organized or domi-
9 ciled, who is
- 10 (A) in possession of property belonging to another,
11 (B) a trustee, or
12 (C) indebted to another on an obligation;
- 13 (9) "insurance company" means an association, corporation,
14 fraternal or mutual benefit organization, whether or not for profit,
15 that is engaged in providing insurance coverage, including accidental,
16 burial, casualty, credit life, contract performance, dental, fidelity,
17 fire, health, hospitalization, illness, life, including endowments and
18 annuities, malpractice, marine, mortgage, surety, and wage protection
19 insurance;
- 20 (10) "intangible property"
- 21 (A) includes
- 22 (i) money, checks, drafts, deposits, interest,
23 dividends, and income;
- 24 (ii) credit balances, customer overpayments, gift
25 certificates, security deposits, refunds, credit memos,
26 unpaid wages, unused airline tickets, and unidentified
27 remittances;
- 28 (iii) stocks and other intangible ownership inter-
29 ests in business associations;

1 (iv) money deposited to redeem stocks, bonds,
2 coupons, and other securities, or to make distributions;

3 (v) amounts due and payable under the terms of
4 insurance policies; and

5 (vi) amounts distributable from a trust or custo-
6 dial fund established under a plan to provide health, wel-
7 fare, pension, vacation, severance, retirement, death, stock
8 purchase, profit-sharing, employee savings, supplemental
9 unemployment insurance, or similar benefits;

10 (B) does not include shares of stock issued by a
11 corporation organized under 43 U.S.C. 1601 - 1629a (Alaska Native
12 Claims Settlement Act) or to unclaimed dividends payable on the
13 shares of stock;

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

17 (12) "owner" means a depositor in the case of a deposit, a
18 beneficiary in the case of a trust other than a deposit in trust, a
19 creditor, claimant, or payee in the case of other intangible property,
20 or a person having a legal or equitable interest in property subject
21 to AS 34.45.110 - 34.45.780; the term includes a person's legal rep-
22 resentative;

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

28 (14) "property" means personal property;

29 (15) "state" means a state, district, commonwealth,

1 territory, insular possession, or other area subject to the
2 legislative authority of the United States;

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

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

10 * Sec. 12. AS 38.95 is amended by adding new sections to read;

11 ARTICLE 5. REAL PROPERTY ESCHEATED TO STATE.

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

16 (b) Real property of a defunct organization or corporation, for
17 which no proceeding for distribution instituted has been instituted
18 within four years after the organization becomes defunct, escheats to
19 the state.

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

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

28 Sec. 38.95.220. JUDGMENT OF ESCHEAT. (a) If the superior court
29 determines that the real property has escheated to the state, the

1 superior court shall issue a judgment of escheat.

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

4 Sec. 38.95.230. MANAGEMENT OF ESCHEATED REAL PROPERTY BY DEPART-
5 MENT. (a) After a judgment of escheat under AS 38.95.220, the de-
6 partment may sell, lease, exchange, assign, or otherwise manage real
7 property that has escheated to the state. In determining the proper
8 disposition of escheated real property the department shall, within
9 two years after the judgment of escheat under AS 38.95.220, make a
10 written finding that it is in the best interests of the state either
11 to

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

15 (2) retain the real property in state management without
16 obtaining an appraisal.

17 (b) The appraised value of property handled under (a)(1) of this
18 section, or the selling price from a sale under AS 38.05.055 if it is
19 lower, less the expenses of sale or appraisal, is the established
20 value of the property for purposes of redemption by an heir or other
21 taker under AS 38.95.240(c).

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

25 Sec. 38.95.240. TIME WITHIN WHICH TO CLAIM ESCHEATED REAL PROP-
26 ERTY. (a) Within seven years after a judgment of escheat under
27 AS 38.95.220, a person who is not a party to the escheat proceeding
28 may bring an action in the superior court to prove the person's claim
29 to the real property. If the plaintiff establishes the claim and

1 establishes that the plaintiff had no knowledge of the prior escheat
2 proceeding, the court shall award the plaintiff the property if it has
3 been managed under AS 38.95.230(a)(2), or the appraised value of the
4 property under AS 38.95.230(b) if the property has been managed under
5 AS 38.95.230(a)(1).

6 (b) If it is determined that the plaintiff is entitled to the
7 property, the department shall deliver the property to the plaintiff.
8 The rents, profits, interest, or dividends that accrue to the state
9 during its possession of the property are the property of the state
10 and may not be recovered.

11 (c) If it is determined that the plaintiff is entitled to the
12 appraised value of property that has been disposed of under AS 38.-
13 95.230(a)(1), at the department's discretion it may offer to the
14 plaintiff land owned by the state and available for disposal that is
15 of comparable value to the appraised value under AS 38.95.230(a)(1).
16 If the department does not offer land of comparable value, or if the
17 plaintiff refuses the department's offer, the plaintiff is entitled to
18 the established value of the property under AS 38.95.230(b).

19 (d) The time limitation of seven years does not apply to a minor
20 or an incapacitated person as defined by AS 13.26.005, but such a
21 person must bring an action to prove the person's claim to the real
22 property within one year after the incapacity ceases.

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

27 Sec. 38.95.250. PROCEEDS OF SALE OR REDEMPTION. The department
28 shall deposit the proceeds of real property sold under AS 38.95.230-
29 (a)(1) less the expenses of sale, including attorney fees and

1 appraisal and publication costs in an escheated real property trust
2 account. The department shall maintain the proceeds in the account
3 for a period of at least seven years after the date of the judgment of
4 escheat. The department may use money in the trust account to pay
5 claims made under AS 38.95.240.

6 Sec. 38.95.260. DISPOSITION OF SALE PROCEEDS SEVEN YEARS AFTER
7 THE JUDGMENT OF ESCHEAT. Seven years after the judgment of escheat,
8 net proceeds from the sale of escheated real property may be trans-
9 ferred from the escheated real property trust account to the general
10 fund and credited to the land disposal income account under AS 38.-
11 04.022, unless a person who was the owner or one of the owners of the
12 property when the property escheated to the state has outstanding
13 child support obligations, in which case the proportion of the net
14 proceeds that is attributable to the ownership interest of the person
15 shall be applied to the satisfaction of the child support obligations
16 and the balance remaining after the satisfaction shall be credited to
17 the land disposal income account.

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

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

21 (a) Those unclaimed articles [ARTICLES] of personal property
22 that are covered by AS 34.45.110 - 34.45.260 and the unclaimed money
23 in the custody of a treatment facility that belong to a patient who
24 dies before discharge, or to a patient who leaves the hospital without
25 authority, if unclaimed by the patient or the legal heirs or represen-
26 tatives of the patient within one year after the patient's death or
27 departure, shall be disposed of in accordance with AS 34.45.110 -
28 34.45.780, and the other articles of the patient's personal property
29 shall be disposed of in the manner prescribed by the department and

1 the proceeds [SHALL BE] deposited in the general fund [STATE TREA-
2 SURY].

3 * Sec. 14. AS 06.05.460; AS 09.50.070 - 09.50.160; AS 10.05.591; and
4 AS 34.45.090 are repealed.

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

A M E N D M E N T

Am #1
131

Offered in the HOUSE

By Gruenberg

TO: CSHB 182 (Jud)

Page 13, line 9, following "(b)":

Delete: "and (e)"

Insert: ", (e), and (f)"

Page 14, following line 26, insert a new subsection to read:

"(f) A distribution of net margins by a cooperative incorporated under AS 10.25 is presumed abandoned if the distribution remains unclaimed by the owner for more than one year after the date authorized for the distribution. The abandoned distribution reverts to the cooperative if the cooperative has, at least six months before the proposed reversion date, ~~either~~ *b-ll*

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

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

Adopted
Ferguson

AMENDMENT NO. 12

Am #2

Page 11, line 6.

Delete the word "knows" and substitute the words
"has received due proof."

JF: —g
—o Ob

Stenger
Adopted
5/8/86

May 5, 1986

PROPOSED AMENDMENT TO HB 182
PREPARED BY THE NATIONAL FEDERATION OF INDEPENDENT BUSINESS

As currently drafted, this bill will place unnecessary, burdensome requirements on small businesses which will result in a high percentage of them being automatically delinquent and in violation of the law. The amendment would provide a reasonable threshold which a small business would need to reach before it would be required to meet all of the filing requirements and maintain the records up to 17 years.

It is recommended that the language in subsection (f) on page 18, beginning on line 24 be deleted and replaced with the following:

(f) The requirements of this section do not apply to the holder of intangible property that is presumed abandoned under AS 34.45.110-780 during the year preceding June 30 of each year if the total aggregate value of the intangible property is less than \$750.

PF: y
-u CB

Gary Jenkins
Adopted
5/8/86

AMENDMENT NO. 34

Page 17, line 12.

Change "\$25" to "\$⁷⁵⁰100."

\$25 is a very low amount for which reporting needs to be required. The administrative costs would not make it worthwhile.

RH: y
-v cb

Forgan
Adopted
5/8/86

AMENDMENT NO. 45

Page 17, line 15.

~~Change~~ ^{After} "beneficiary" to ^{Add: or other} "person who is entitled to the proceeds."

Reason: In many instances, it is the owner of the policy who is entitled to the proceeds and not the beneficiary.

RH: g
- v CB

Tenger
Adopted
5/8/86


Am #6

AMENDMENT NO. 56

Page 20, line 4.

Change "10 years" to "⁷5 years" to eliminate unnecessary record retention.

1-5-86

RH: 
vob

Tanger
Adopted
5/8/86

AMENDMENT NO. 2

Page 12, lines 13 through 21.

Delete subparagraph (g).

Reason: This subsection represents insurance regulation and should be in the Insurance Law, if anywhere. This subsection would require that every change of beneficiary form include the name, address and relationship of every beneficiary to the insured. While it may be true that many such forms already include this information, this subsection could require substantial additional printing costs for insurers.

JPT:

105 Municipal Way
Suite 303
Juneau, Alaska 99801

J. P. TANGEN

Phone (907) 586-2286
Telecopy 907) 586-2317

May 5, 1986

HAND DELIVERED

The Honorable Jan Faiks, Co-Chair
The Honorable John Sackett, Co-Chair
Alaska State Legislature
Senate Finance Committee
Pouch V
Juneau, Alaska 99811

Re: House Bill 182

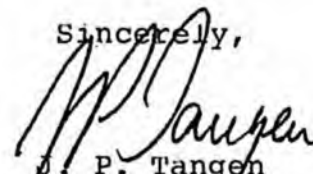
Dear Senators Faiks and Sackett:

On behalf of the American Council of Life Insurance, you are hereby requested to make the enclosed amendments to HB 182 now pending before your Committee.

I shall be pleased to attempt to answer any questions you may have with regard to these amendments.

Thank you for your consideration in this matter.

Sincerely,



J. P. Tangen
Attorney at Law

JPT:lyn/1

cc: Members of the Committee

ANALYSIS - CS FOR HOUSE BILL 182 (FINANCE)

In general this bill brings state law into line with the Uniform Unclaimed Property Act. It reforms procedures dealing with the reporting, collecting, and disposing of property which is unclaimed or otherwise considered abandoned by its owners.

Under current procedures, the Department of Law must obtain a court order to seize unclaimed property. Once the property is turned over to the state, it must be held in a trust fund for seven years. If after this period the owner cannot be found, the property is transferred into the general fund and can be converted into liquid assets and spent by the state.

The bill covers a wide range of intangible unclaimed property. This includes savings account deposits, travelers checks, insurance proceeds, utility deposits, and undistributed corporate dividends.

Under the bill, unclaimed property which is held by anyone will be presumed to be abandoned after a five year period. Exceptions exist for travelers checks (15 years), money orders (7 years), and stock dividends (after seven dividends over a seven year period).

After the property is presumed to be abandoned, the holder must file a report with the Department of Revenue and in most cases, turn the property over to this department. Once delivered, the holder is relieved of all liability for the subsequent handling of the property. However, the bill avoids the possibility of the state getting involved in defending lawsuits on behalf of the holder.

When received by the state, it must publish the names of persons who are believed to be the owners of the property and must take other efforts to locate them. During the entire time the state has custody of the property, the rightful owner may claim and recover that property or its value.

After receiving tangible personal property, within three years the state must sell it at a public sale. The

proceeds from these sales and all other unclaimed funds which are received by the Department will be deposited into the state's general fund. However, \$100,000 will be kept in a separate trust fund to pay the legitimate claims of any owners who may later appear.

Dormant bank accounts are often subject to a suspension of interest or to being "charged away" by a steady accumulation of service charges. The bill will prohibit these practices unless the bank and the customer have previously agreed to them, unless the bank charges are reasonable, and unless the bank has attempted to notify the owners of accounts containing more than \$10.00.

The procedures are somewhat different for real property which has been abandoned or unclaimed. The actual title to real estate will be transferred to the Department of Natural Resources. The Department then may sell, lease, exchange or otherwise transfer the property.

The bill contains procedures for other states who may have a claim to abandoned property to acquire the same. It also provides penalties for persons who fail to comply with the law.