

ALASKA LEGISLATIVE COMMITTEE FILES 1965-1980 00/2

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HB 180

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HB 182

177



# RECORDS CERTIFICATION



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

James O. Smith  
Signature of Camera Operator

7/25/89  
Date

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STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

LEGISLATIVE REFERENCE LIBRARY

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99801  
907-465-3800

May, 1986

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS date base CM 14. In order to save space copies of minutes have not been left in the files.

Jeanie Henry

House Judiciary 2/18/85 1 pm

COMMITTEE REPORT  
HOUSE

2/3  
Revised

(7)

FURTHER:

2/3/85

Date: 2-11-85

Mr. Speaker:

The Committee on JUDICIARY has had HB 180

"an Act relating to the confidentiality of certain library records."

under consideration and reports it back as follows:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for HB 180 (sub)  same title
- new title
- and recommends CS HB 180 DO PASS
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation  Zero Fiscal Note Attached
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

MILLER [Signature]

GADENBERRY [Signature]

WILSON [Signature]

LEITCH [Signature]

TAYLOR [Signature]

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[Signature]  
CHAIRMAN

COOK

Original sponsors: Clocksin and M.M.Miller

IN THE HOUSE

BY THE JUDICIARY COMMITTEE

CS FOR HOUSE BILL NO. 180 (Judiciary)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
FOURTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the confidentiality of certain library records."

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

\* Section 1. AS 09.25 is amended by adding a new section to read:

Sec. 09.25.140. CONFIDENTIALITY OF LIBRARY RECORDS. The names, addresses, or other personal identifying information of people who have used materials made available to the public by a library shall be kept confidential, except upon court order, and are not subject to inspection under AS 09.25.110 or 09.25.120. This section applies to libraries operated by the state, a municipality, or a public school, including the University of Alaska.

# The Washington Post

AN INDEPENDENT NEWSPAPER

## The Rise in Oil Imports

**OIL IMPORTS** into the United States hit a peak in 1977, when they were nearly half of all the oil that the country consumed. The following year they started to fall as the Alaskan oil pipeline went into full operation. Then came the Iranian revolution, a huge jump in prices and two recessions. Oil consumption and imports fell for five-and-a-half years. But late last summer the pattern reversed itself. The country's dependence on foreign oil is now climbing again.

For the present, there is no great danger. Oil markets are slack and—unless the war between Iran and Iraq suddenly spreads—there is no immediate prospect of shortage or rising prices. But the oil is expensive and adds to a trade deficit already a drag on economic expansion. For the longer future, a rising trend means only trouble.

Oil imports are now up quite sharply, because oil use is up. In January 1983, Americans were burning oil at a rate of 14.8 million barrels a day. Last month the rate was over 17 million barrels a day. The reasons aren't very surprising. It's been very cold, and almost half of that increase was fuel oil. The economic recovery is well under way, and people are driving more. Industrial production is up, which means that industrial fuel needs are also up—although not much. The industrial engineers are the champions among energy conservationists.

It's important to recognize the extraordinary gains in conservation since oil prices started to rise in 1973. American energy consumption is significantly lower now than it was then—although the gross national product has risen almost one-fourth, the population is up by 23 million people and there are some 20 million more cars on the road. But the impact of rapid growth falls most heavily on oil imports, and letting them run up will generate—as Americans have had ample opportunity to see since 1973—its own kind of disaster.

It's time to improve the incentives for conservation. The most conspicuous opportunities, as usual, lie in the use of gasoline. The price of gasoline has been falling for three years now and, adjusted for inflation, is not much higher than it was in 1974. People seem to be moving back to big cars. That swing, if it continues, will create havoc in an automobile industry that has been pushed hard by public policy to build mostly small cars.

How about seizing this moment of declining gas prices to impose a slowly but steadily rising tax on gasoline? Each nickel per gallon added to the gas tax would not only help hold down oil imports but would bring in \$5 billion a year. That's a serious contribution to reducing the deficit—if anybody over at the White House is seriously interested in reducing the deficit.

## Who Read That Book?

**IF YOU GO** to the public library and take out a book on how to deal with head lice, improve your sex life or form a new political party, do you want the whole world to know about it? Shouldn't you be allowed to check out a racy novel or the biography of Karl Marx without having to explain your motives to anyone? The American Library Association thinks so and has taken a strong stand against releasing book circulation records. Twenty-two states, including Maryland and Virginia, have adopted legislation specifically protecting these records, and while there is no such statute in the District, it is the policy of city libraries not to release such records.

Did you ever think this was a problem? Well, it is. The executive director of the Moral Majority in the state of Washington asked for the circulation records on a sex education film. Persons claiming to be investigators have sought to obtain information on the reading habits of suspected individuals. And, it should be noted, writers and reporters occasionally find items of interest on these lists. In fact, the ALA says that the only people who consistently op-

pose library privacy legislation in the states are journalists. It isn't right. In a legitimate criminal investigation—did John Smith, whose wife expired shortly after a beef burganoff feast, take out that book on poisonous mushrooms?—circulation lists can be obtained with a subpoena. In all other cases, they ought to be considered private.

It will be noted that circulation lists are public records and that they ought to be made available to any interested member of the public. Not so. They are only public in the sense that medical records kept by the city hospital are public because they are created and kept by a public institution. While most data about the operation of a publicly funded service should be available—information about administration, operations and budget, for example—other files, such as health records or income tax returns, are personal and should be protected. An individual's choice of reading material falls into this category. Librarians and state legislatures that have adopted protective policies and laws have correctly drawn the fine line between the public's right to public information and the individual's right to read in peace.

# LETTERS

## Terror:

It is ironic that the last article in The Post's series "The Terror Factor" (Frank page, Feb. 12) could find no "significant information of Soviet involvement in terrorist activities," since an earlier article in the same series noted that in June 1980, two of Abu Nidal's terrorists were released from detention in Bulgaria and their weapons returned to them after intervention by the Bulgarian Embassy in Baghdad. Bulgaria is one of the most submissive satellites of the Soviet Union, and its intervention to release the terrorists might reasonably be taken to indicate Soviet support for terrorism, especially in light of the continuing allegations of a Soviet-Bulgarian role in the attempted assassination of Pope John Paul II in 1981.

Although the last article in the six-part series quoted former CIA director

Stovall Lines of are "the last, as former (testimon; miles # 24, 1331), Soviets injection (these in (here eq of terror; to Palest leaders s, vaders to Nor d the revo; Clive em; lar; The Soviet an



## Traveling the Beltway

This is in reply to The Post's front-page article Feb. 14 on trucks causing accidents on the Beltway. I am alive to write this because of the skill and courage of a truck driver who avoided running over me after I was forced to brake sharply on the leftway.

It happened on the infamous stretch leading to the Cabin John Bridge. The car ahead of me suddenly slowed and turned, without warning, traffic was heavy in all lanes. I avoided hitting him, but behind me was another car and a moving van. With split-second reaction, the trucker, a woman, pulled left onto the snow-covered, steeply sloping median and managed to stop the rig. Without her strength, speed and skill, I think both drivers behind me and I would be dead. The only person injured was the truck driver, who saved us all. She got the only citation issued by the police, and the cause of the accident—the driver making the U-turn—got away.

Not all accidents are the fault of truck drivers.

MARY S. THORNE

Bethesda

The Beltway relieved by:

- 1) not allow vehicles to unblock traffic;
- 2) letting property man; ty, block only lanes until a' until after mi; the tow trucks
- 3) encoura; mally restrict; allow motoris; live routes, to rection.

If official "move the tra; "remove the v; (some of whic; emergencies) many hours; many thousa; gasoline.

These recov offered not a anyone or auv as the observ; mileage user; since its ince;

Glenn Dale

## Under Malawi Law

In her article "Malawi Upholds Execution of Hyattsville Nurse's Parents" (Feb. 9), Caryle Murphy claims, among other things, that "the lower traditional court that tried the Chirwas does not meet international legal standards of the Geneva-based International Commission of Jurists."

There are certain facts The Post

the United Law differ f some state; for instanc; states use tion, other; There are s; dishing s; thin the

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STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: HB-180  
 Title: ...confidentiality of...  
 Library records  
 Sponsor: Clocks in  
 Requestor: House Judiciary  
 Date of Request: 2/13/85

FISCAL DETAIL

Agency Affected: Education  
 Program Category Affected: \_\_\_\_\_  
 BRU, Program or Subprogram(s) Affected: Alaska State Libraries

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

<b>CAPITAL</b>						
----------------	--	--	--	--	--	--

<b>REVENUE</b>						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

This bill has no fiscal impact on the Department.

Prepared By: Steve Hole  
 Division: Commissioner's Office

Phone: 465-2800  
 Date: 2/14/85

Approved by Commissioner: *Howe*  
 Agency: Department of Education

Date: 2/14/85

Distribution (by Agency preparing fiscal note):

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

7/1/84

Daily News KS  
2-9-85

# Library, election bills introduced

By ROBB FULCHER  
United Press International

**JUNEAU** — Spurred on by a dispute over a high school library book dealing with homosexuality, lawmakers introduced legislation Friday that would make public library records confidential and make it more difficult to recall elected officials.

House Minority Leader Don Clocksin, of Anchorage, introduced House Bill 180, designed to protect the privacy of Alaskans who check out books and other materials from public libraries.

House Bill 177, introduced by Rep. David Thompson, R-Kodiak, would provide for a judicial review of petitions to recall elected officials.

The bills stemmed from incidents in Fairbanks and North Pole, where a book, "A Way of Love, A Way of Life," on high school library shelves brought criticism from parents and attempts to recall Fairbanks school board members.

Clocksin's bill was requested by the Alaska Library Association, and also reflects Clocksin's concern over a nationwide increase in the number of requests made to libraries for lists of people who had checked out certain materials.

"Alaska's Freedom of Information Act was designed to inform the public and ensure the accountability of government, and not to be used as a tool to violate the privacy of individual Alaskans," Clocksin said.

A July, 1984 opinion from the state Attorney General's office said that no state law protects library circulation records, but the constitutional right of privacy reflects a policy that they should not be disclosed, Clocksin said.

"By filing this bill, I hope to implement that policy. I don't feel we should rely on a court to rule favorably. Confidentiality of these records should be explicitly protected in the statutes."

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## Request for mining

Continued from Page C-1



# REPRESENTATIVE DON CLOCKSIN

Alaska House of Representatives

MAJORITY LEADER

1024 WEST SIXTH AVENUE  
ANCHORAGE ALASKA 99501  
(907) 274-4031

WHILE IN JUNEAU:  
PCUCH V  
JUNEAU, ALASKA 99811  
(907) 465-3704

FOR IMMEDIATE RELEASE

February 8, 1985

For more information, contact: Johnny Ellis 465-3718

House Majority Leader Don Clocksin, D-Anchorage, today introduced House Bill 180, which would protect the privacy of citizens when they check out materials from Alaska's public libraries. Currently, twenty-three other states have passed similar legislation. The American Library Association and the Alaska Library Association strongly support confidentiality of library records to protect individual privacy.

According to Representative Clocksin, the impetus for his legislation was the increasing number of requests nationwide being made of libraries for lists of the people who had checked out certain library materials. The American Library Association has documented cases in which information was requested for purposes other than legitimate police investigations.

Clocksin pointed out that the Alaska Constitution explicitly guarantees an individual's right to privacy. "Alaska's Freedom of Information Act was designed to inform the public and ensure the accountability of government, and not to be used as a tool to violate the privacy of individual Alaskans." Circulation records kept by public libraries are

not public records in the general sense but are similar to medical records kept by public hospitals. "These records are strictly between the institution and the individual," Clocksin said.

A July 1984 Attorney General's opinion said no state law protects library circulation records, although the constitutional right of privacy reflects a policy that they should not be disclosed.

"By filing this bill, I hope to implement that policy," Clocksin stated. "I don't feel we should rely on a court to rule favorably. Confidentiality of these records should be explicitly protected in the statutes."

# # #

Attachments (3)

# Anchorage Daily News



Winner, 1976 Pulitzer Prize Gold Medal for Public Service

Gerald E. Grilly  
Publisher

Howard Weaver  
Managing Editor

Steve Lindbeck  
Editorial Page Editor

Katherine Fanning, Editor and Publisher 1971 to 1983

Lawrence Fanning, Editor and Publisher 1967 to 1971

Alaska's Only Morning Newspaper • Founded in 1946 by Norman C. Brown

## Keep confidential our library records

The right to be left alone seems natural and inalienable to most Americans but sometimes it needs protection. That's why House Majority Leader Don Clocksin of Anchorage's proposal to guard the privacy of library records is a good one.

Under terms of House Bill 180, which Clocksin introduced last week, public library records would become confidential information closed to nosy neighbors who like to monitor the reading habits of their community. No state law currently protects library circulation records. During recent years, there has been a nationwide increase in individual and group requests to libraries for lists of people who checked out books and other materials. Usually these requests involve controversial books addressing moral issues — the kind of books that simply were banned years ago when narrow-minded individuals or groups could control library holdings.

Rep. Clocksin's proposal may seem at first glance like a call to secrecy but as he explained in offering the bill, the Alaska Freedom of Information Act was established as a tool to ensure government accountability, not a device to violate Alaskans' privacy. Alaskans should have the opportunity to visit their public libraries in peace — and know their reading preferences are strictly private.

Libraries always should invite the public to read. There should be no deterrents to exploration in Alaska's libraries — and open library records are a deterrent that should be eliminated.

# MEMORANDUM

State of Alaska

TO: Harold Reynolds, Jr.  
Commissioner  
Department of Education

DATE: July 13, 1984

FILE NO: 166-255-84 20

TELEPHONE NO: 276-3550

FROM: Norman C. Gorsuch  
Attorney General

SUBJECT: Confidentiality of  
Library Use Records

By: *Jan Hart DeYoung*  
Jan Hart DeYoung  
Assistant Attorney General

You inquired whether the State of Alaska has any laws addressing the confidentiality of state library records. You also asked whether any state law would prohibit the use of the following statement on the patron application form used by Library Services for the Blind and Physically Handicapped:

Records relating to recipients of Library of Congress reading material are confidential.

A review of the regulations and statutes disclosed no law specifically addressing this subject. However, AS 09.25.110-.120, Alaska's Freedom of Information Act, may require disclosure of the information you seek to protect.

By enacting AS 09.25.110, Alaska has adopted a policy of open access to state records. AS 09.25.110 provides:

Unless specifically provided otherwise, the books, records, papers, files, accounts, writings, and transactions of all agencies and departments are public records and are open to inspection by the public under reasonable rules during regular office hours. The public officer having the custody of public records shall give on request and payment of costs a certified copy of the public record.

Exceptions to this right of access are few and must be expressed specifically in the law. For example, AS 09.25.120 states, in part:

Every person has a right to inspect a public writing or record in the state, including public writings and records in recorders' offices except (1) records of vital statistics and adoption proceedings which shall be treated in the manner required by AS 18.50; (2) records pertaining to juveniles; (3) medical and related public health

records; (4) records required to be kept confidential by a federal law or regulation or by state law. Every public officer having the custody of records not included in the exceptions shall permit the inspection, and give on demand and payment of the legal fees therefore a certified copy of the writing or record . . . .

The only exception which may apply here is (4), "records required to be kept confidential by a federal law or regulation or by state law." The Library of Congress apparently endorses a rule of confidentiality for users of Library of Congress materials but leaves the issue of confidentiality to the states to resolve under state law. If federal regulation provided that library use records be kept confidential, those records would be protected under AS 09.25.120(4).

As previously stated, no state statute addresses the confidentiality of library records. The only state law which might allow the Department to protect these records from release to the public is the constitutional right to privacy in the Alaska Constitution, which states: "The right of the people to privacy is recognized and shall not be infringed." Alaska Const. Art. I, § 22. The constitutional right to privacy is not absolute. When confronted with a question whether information is protected under the right to privacy, courts engage in a balancing process, weighing the sensitivity of the information sought to be disclosed against the interest of public disclosure. See City of Kenai v. Kenai Peninsula Newspapers, Inc., 642 P.2d 1316, 1323 (1982).

Tension is inherent in the policy of open access to state records, on the one hand, and the right of privacy, on the other. We have previously stated that the Freedom of Information Act was designed to encourage informed participation of citizens in the process of government, to insure government's accountability, and to increase public confidence in the workings of the political system. It was not intended that the legislation be used as a tool to pry into the private lives of citizens. Thus, we concluded that "any analysis of the extent to which the public may have access to government records, therefore, must necessarily proceed from the hypothesis that the information revealed to the public will assist in accomplishing the legislature's general policy goal. Thus, mechanical application of the literal language in AS 09.25.110 to all requests for public disclosure is inappropriate." 1982 Inf. Op. Att'y Gen. 1 (Feb. 5; J66-314-82) (footnote omitted).

Because the right to privacy is not absolute, you cannot guarantee to a user that library records will remain confidential. At the same time, the Freedom of Information Act will not automatically require that such records be disclosed upon a request. Each request will have to be examined on its peculiar facts before it can be determined whether the records should be released. The following guidelines should apply.

First, it must be determined whether the information requested is of the type that should be protected by the right of privacy. In other words, is the information requested sensitive. Falcon v. Alaska Public Offices Commission, 570 P.2d 469, 479 (Alaska 1977). Certain medical information, financial records, and a person's age previously have been found sufficiently sensitive to be protected from disclosure. Id.; 1982 Inf. Op. Att'y Gen. (May 25; J66-513-82); 1982 Inf. Op. Att'y Gen. (Feb. 5). Depending upon the request, disclosure of library use records could reveal the fact that one is blind or physically handicapped and the library or reading material one has consulted. It is our opinion that both of these facts are sufficiently sensitive to be protected by the right to privacy. An individual's physical ills and disabilities are among the most sensitive of personal and psychological sensibilities. See Falcon, 570 P.2d at 478, quoting Rowe v. Ingraham, 403 F.Supp. 931, 937 (S.D.N.Y. 1975) (reviewing constitutionality of legislation requiring disclosure of patients receiving prescriptions for particular drugs). We also believe that disclosing the library materials used by a person would violate this right to privacy. Knowing what a person reads could reveal the most intimate and personal facts about that person. The privacy of one's thoughts should be basic to individual liberty. As the Alaska Supreme Court recently stated, "Article I, section 22 fosters and protects those values and characteristics typical of and necessary for a free society. Some of these are the sharing of thoughts and ideas, personal trust between individuals, free expression, and individuality." City and Borough of Juneau v. Quinto, P.2d \_\_\_, Op. no. 2841 at 6 (June 29, 1984) (criminal case). We do not believe those privacy interests can be adequately protected by advising a library patron in advance that use records are public documents. Such a notice could work a subtle form of censorship, influencing the selection of books or library materials.

Second, the public's interest in the information should be examined. Possessing information on who has used certain library materials, for example, could enable the possessor to target certain individuals for harassment. Such use of public records is a clear abuse of AS 09.25.110. It does not further the statute's purpose of opening the conduct of government

Harold Reynolds, Jr., Commissioner  
Department of Education  
166-255-84

July 13, 1984  
Page 4

business to public scrutiny. A legitimate interest, however, would be in opening the administration of the library to public view. That interest would be served by providing the records but deleting all personal references.

In sum, absent special circumstances, we find the balance weighs against disclosure of the names of persons using the library. Disclosing use records, while deleting any references which would allow the library patron to be identified, should, in most cases, satisfy the policies underlying the Freedom of Information Act without interfering with privacy interests. There may, however, be some instances in which the release of names is necessary to accomplish an important public interest. Such requests should be reviewed on a case by case basis with advice from the Department of Law.

You stated in your letter that 21 states have statutes addressing the confidentiality of library use records. You may wish to approach the legislature and request legislation specifically addressing this issue. In the meantime, you cannot provide any absolute assurance that user records will be kept confidential. If library records are requested under AS 09.25.110-.120, I recommend that you respond by providing the records but deleting any personal references. If that response is unsatisfactory, you should refer the matter to the Department of Law to determine whether the interest in disclosure outweighs the privacy interests involved.

JHD:jg

cc: Linda Tobiska  
Rick Roberts



# RECORDS



# CERTIFICATION

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

*James O. Smith*  
Signature of Camera Operator

*7/25/89*  
Date

H B

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# STATE OF ALASKA THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

## LEGISLATIVE AFFAIRS AGENCY

### LEGISLATIVE REFERENCE LIBRARY

May, 1986

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS date base CM 14. In order to save space copies of minutes have not been left in the files.

Jeanie Henry

House Judiciary	1/20/86	1:30 pm
" "	3/4/86	1:30 pm
" "	3/22/86	9 AM
" "	3/25/86	8 AM
" "	3/27/86	8:30 AM
" "	4/4/86	8 AM
" "	4/9/86	1:30 pm
" "	4/10/86	8 AM

COMMITTEE REPORT  
HOUSE

( 7 )

FURTHER: FINANCE

2/8/85

Date: 4/10/86

The Committee on JUDICIARY has had HB 182

"An Act relating to the disposition of unclaimed property; and providing for an effective date."

under consideration and recommends:

- do pass [ ] do not pass
- [ ] do pass with attached amendments(s)
- replace with CS for HB 182 [ ] same title [x] new title
- and recommends do pass
- [ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note
- [ ] reports it back without recommendation [ ] Zero Fiscal Note Attached
- referred to the Finance Committee

MEMBERS SIGNING  
DO PASS

[Signature]

[Signature]

[Signature]

Justin L. Taylor

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[Signature]  
CHAIRMAN

Version #2  
Bannister  
4/8/86

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 182 (Judiciary)

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 FY IT UNLESS SOONER  
13 CLAIMED BY THE OWNER. AFTER THAT, THE REMAINING SUM SHALL BE TRANS-  
14 FERRED TO THE GENERAL FUND].

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

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

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

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

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

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

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

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

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

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

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

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

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

1 state and is subject to AS 38.95.200 - 38.95.270.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 Sec. 34.45.150. CHECKS, DRAFTS, AND SIMILAR INSTRUMENTS ISSUED  
8 OR CERTIFIED BY BANKING AND FINANCIAL ORGANIZATIONS. (a) Other than  
9 money payable on an instrument that is subject to AS 34.45.140, money  
10 payable on a check, draft, or similar instrument on which a banking or  
11 financial organization is directly liable, including a cashier's check  
12 and a certified check, that has been outstanding for more than five  
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 five years, has communicated in writing with the  
16 banking or financial organization concerning the instrument or has  
17 otherwise indicated an interest as evidenced by a memorandum or other  
18 record, on file, prepared by an employee of the organization.

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

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

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

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

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

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

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

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

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

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

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

1           cease payment of interest.

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

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

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

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

1 the company.

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

6 (1) the company knows 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 34.35.210 and  
9 (b) and (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,

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

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

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

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

27 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)

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;

12 (2) in the case of unclaimed money amounting to \$25 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 according to the records of the  
16 insurance company holding or owing the funds;

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 \$500.

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.

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 10 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. Except as otherwise provided  
26 by this section, the department shall promptly deposit in the general  
27 fund of the state all money received under AS 34.45.110 - 34.45.780,  
28 including the proceeds from the sale of abandoned property under  
29 AS 34.45.360. The department shall retain in a separate trust fund an

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

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

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

23 (c) If a claim is allowed, the department shall pay or deliver  
24 to the claimant the property or the amount the department actually  
25 received, or the net proceeds if it has been sold by the department,  
26 together with an additional amount required by AS 34.45.340. For the  
27 purposes of determining net proceeds after sale of the property, the  
28 department may deduct

29 (1) costs incurred in connection with the sale of the

1 property;

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

4 (3) reasonable service charges; and

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

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

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

21 (f) Unless another state files a claim to recover the property,  
22 if the identity of the owner of the property is known, the department  
23 shall apply the fair market value of the property to satisfaction of  
24 the child support obligations of the owner.

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

28 (1) this state took custody of the property because the  
29 records of the holder did not reflect the last known address of the

1       apparent owner when the property was presumed abandoned under this  
2       chapter, the person entitled to the property was in the other state,  
3       and under the laws of the other state the property escheated to or was  
4       subject to a claim of abandonment by that state;

5               (2) the last known address of the apparent owner or other  
6       person entitled to the property, as reflected by the records of the  
7       holder, is in the other state and under the laws of the other state  
8       the property has escheated to or become subject to a claim of abandon-  
9       ment by that state;

10              (3) the records of the holder were erroneous in that they  
11       did not accurately reflect the actual owner of the property and the  
12       last known address of the actual owner is in the other state and under  
13       the laws of the other state the property escheated to or was subject  
14       to a claim of abandonment by the other state;

15              (4) this state took custody of the property under AS 34.-  
16       45.120(6), and, under the laws of the state of domicile of the holder,  
17       the property has escheated to or become subject to a claim of aban-  
18       donment by the state of domicile; or

19              (5) the property is the sum payable on a traveler's check,  
20       money order, or other similar instrument of which this state took  
21       custody under AS 34.45.140, and the instrument was purchased in the  
22       other state, and, under the laws of the other state, the property  
23       escheated to or became subject to a claim of abandonment by the other  
24       state.

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

29              (c) The department shall require a state, before recovering

1 property under this section, to agree to indemnify this state and its  
2 officers and employees against liability on a claim for the property.

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

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

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

16 (2) within 30 days after the decision resulting from an  
17 informal conference.

18 (c) At the formal hearing the department may subpoena witnesses  
19 and may administer oaths and make inquiries necessary to determine the  
20 validity of the claim. The person aggrieved may present arguments and  
21 evidence relevant to the decision or action of the department. If the  
22 department determines that a correction is warranted, the department  
23 shall make the correction.

24 (d) A person aggrieved by the decision of the department may,  
25 within 30 days after the formal hearing and decision by the depart-  
26 ment, appeal to the superior court in the judicial district in which  
27 the person resides. The department shall give appellant access to the  
28 department's file in the matter for preparation of the appeal. If,  
29 after the appeal is heard, it appears that the decision of the

1 department was correct, the court shall confirm that decision. If  
2 incorrect the court shall determine the amount that the person ag-  
3 grieved is entitled to recover and shall order the repayment. The  
4 department shall immediately pay the amount due and attach a certified  
5 copy of the judgment to the payment.

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

11 (b) A holder, with the written consent of the department and  
12 upon terms prescribed by the department, may report and deliver prop-  
13 erty before the property is presumed abandoned. Property delivered  
14 under this subsection shall be held by the department and is not pre-  
15 sumed abandoned until the property would otherwise be presumed aban-  
16 doned under this chapter.

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

25 Sec. 34.45.430. PERIODS OF LIMITATION. The expiration, before  
26 or after the effective date of this Act, of a period of time specified  
27 by contract, statute, or court order, during which a claim for money  
28 or property may be made or during which an action or proceeding may be  
29 commenced or enforced to obtain payment of a claim for money or to

1 recover property, does not prevent the money or property from being  
2 presumed abandoned, and does not affect a duty to file a report or to  
3 pay or deliver abandoned property to the department as required by  
4 AS 34.45.110 - 34.45.430.

5 ARTICLE 6. ENFORCEMENT AND PENALTIES.

6 Sec. 34.45.450. ENFORCEMENT. The department may bring an action  
7 in a court of competent jurisdiction to enforce AS 34.45.110 - 34.45.-  
8 780.

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

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

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

29 (d) At the request of another state, the attorney general of

1 this state may bring an action in the name of the other state in a  
2 court of competent jurisdiction to enforce the unclaimed property laws  
3 of the other state against a holder in this state of property subject  
4 to escheat or a claim of abandonment by the other state. An action  
5 may be brought under this subsection only if the other state has  
6 agreed to pay expenses incurred by the attorney general of this state  
7 in bringing the action.

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

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

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

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

## 1 ARTICLE 7. GENERAL PROVISIONS.

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

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

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

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

23 Sec. 34.45.730. REGULATIONS. The department shall adopt regu-  
24 lations necessary to carry out the provisions of AS 34.45.110 - 34.-  
25 45.780.

26 Sec. 34.45.740. UNIFORMITY OF APPLICATION AND CONSTRUCTION.  
27 AS 34.45.110 - 34.45.780 shall be applied and construed so as to  
28 effectuate their general purpose to make uniform the law with respect  
29 to unclaimed property among states enacting the Uniform Unclaimed

1 Property Act.

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

8 Sec. 34.45.760. DEFINITIONS. In AS 34.45.110 - 34.45.780,  
9 unless the context requires otherwise,

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

13 (2) "banking organization" means a bank, trust company,  
14 savings bank, industrial bank, land bank, safe deposit company, pri-  
15 vate banker, or an organization defined by other applicable laws as a  
16 bank or banking organization;

17 (3) "business association" means a nonpublic corporation,  
18 joint stock company, investment company, business trust, partnership,  
19 or association for business purposes of two or more individuals,  
20 whether or not for profit, including a banking organization, financial  
21 organization, insurance company, or utility;

22 (4) "commissioner" means the commissioner of the Department  
23 of Revenue;

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

25 (6) "domicile" means the state of incorporation of a corpo-  
26 ration and the state of the principal place of business of an unincor-  
27 porated person;

28 (7) "financial organization" means a savings and loan  
29 association, cooperative bank, building and loan association, or

1 credit union;

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

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

5 (B) a trustee, or

6 (C) indebted to another on an obligation;

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

14 (10) "intangible property"

15 (A) includes

16 (i) money, checks, drafts, deposits, interest,  
17 dividends, and income;

18 (ii) credit balances, customer overpayments, gift  
19 certificates, security deposits, refunds, credit memos,  
20 unpaid wages, unused airline tickets, and unidentified  
21 remittances;

22 (iii) stocks and other intangible ownership inter-  
23 ests in business associations;

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

26 (v) amounts due and payable under the terms of  
27 insurance policies; and

28 (vi) amounts distributable from a trust or custo-  
29 dial fund established under a plan to provide health,

1 welfare, pension, vacation, severance, retirement, death,  
2 stock purchase, profit-sharing, employee savings, supple-  
3 mental unemployment insurance, or similar benefits;

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

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

11 (12) "owner" means a depositor in the case of a deposit, a  
12 beneficiary in the case of a trust other than a deposit in trust, a  
13 creditor, claimant, or payee in the case of other intangible property,  
14 or a person having a legal or equitable interest in property subject  
15 to AS 34.45.110 - 34.45.780; the term includes a person's legal rep-  
16 resentative;

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

22 (14) "property" means personal property;

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

26 (16) "utility" means a person who owns or operates for  
27 public use a plant, equipment, property, franchise, or license for the  
28 transmission of communications or the production, storage, trans-  
29 mission, sale, delivery, or furnishing of electricity, water, steam,

1 or gas.

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

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

5 ARTICLE 5. REAL PROPERTY ESCHEATED TO STATE.

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

10 (b) Real property of a defunct organization or corporation, for  
11 which no proceeding for distribution instituted has been instituted  
12 within four years after the organization becomes defunct escheats to  
13 the state.

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

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

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

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

27 Sec. 38.95.230. MANAGEMENT OF ESCHEATED REAL PROPERTY BY DEPART-  
28 MENT. (a) After a judgment of escheat under AS 38.95.220, the de-  
29 partment may sell, lease, exchange, assign, or otherwise manage real

1 property that has escheated to the state. In determining the proper  
2 disposition of escheated real property the department shall, within  
3 two years after the judgment of escheat under AS 38.95.220, make a  
4 written finding that it is in the best interests of the state either  
5 to

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

9 (?) retain the real property in state management without  
10 obtaining an appraisal.

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

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

19 Sec. 38.95.240. TIME WITHIN WHICH TO CLAIM ESCHEATED REAL PROP-  
20 ERTY. (a) Within seven years after a judgment of escheat under  
21 AS 38.95.220, a person who is not a party to the escheat proceeding,  
22 may bring an action in the superior court to prove the person's claim  
23 to the real property. If the plaintiff establishes the claim and  
24 establishes that the plaintiff had no knowledge of the prior escheat  
25 proceeding, the court shall award the plaintiff the property if it has  
26 been managed under AS 38.95.230(a)(2), or the appraised value of the  
27 property under AS 38.95.230(b) if the property has been managed under  
28 AS 38.95.230(a)(1).

29 (b) If it is determined that the plaintiff is entitled to the

1 property, the department shall deliver the property to the plaintiff.  
2 The rents, profits, interest, or dividends that accrue to the state  
3 during its possession of the property are the property of the state  
4 and may not be recovered.

5 (c) If it is determined that the plaintiff is entitled to the  
6 appraised value of property that has been disposed of under AS 38.-  
7 95.230(a)(1), at the department's discretion it may offer to the  
8 plaintiff land owned by the state and available for disposal that is  
9 of comparable value to the appraised value under AS 38.95.230(a)(1).  
10 If the department does not offer land of comparable value, or if the  
11 plaintiff refuses the department's offer, the plaintiff is entitled to  
12 the established value of the property under AS 38.95.230(b).

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

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

21 Sec. 38.95.250. PROCEEDS OF SALE OR REDEMPTION. The department  
22 shall deposit the proceeds of real property sold under AS 38.95.230-  
23 (a)(1) less the expenses of sale, including attorney fees and ap-  
24 praisal and publication costs in an escheated real property trust  
25 account. The department shall maintain the proceeds in the account  
26 for a period of at least seven years after the date of the judgment of  
27 escheat. The department may use money in the trust account to pay  
28 claims made under AS 38.95.240.

29 Sec. 38.95.260. DISPOSITION OF SALE PROCEEDS SEVEN YEARS AFTER

1 THE JUDGMENT OF ESCHEAT. Seven years after the judgment of escheat,  
2 net proceeds from the sale of escheated real property may be trans-  
3 ferred from the escheated real property trust account to the general  
4 fund and credited to the land disposal income account under AS 38.-  
5 04.022, unless a person who was the owner or one of the owners of the  
6 property when the property escheated to the state has outstanding  
7 child support obligations, in which case the proportion of the net  
8 proceeds that is attributable to the ownership interest of the person  
9 shall be applied to the satisfaction of the child support obligations  
10 and the balance remaining after the satisfaction shall be credited to  
11 the land disposal income account.

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

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

15 (a) Those unclaimed articles [ARTICLES] of personal property  
16 that are covered by AS 34.45.110 - 34.45.260 and the unclaimed money  
17 in the custody of a treatment facility that belong to a patient who  
18 dies before discharge, or to a patient who leaves the hospital without  
19 authority, if unclaimed by the patient or the legal heirs or represen-  
20 tatives of the patient within one year after the patient's death or  
21 departure, shall be disposed of in accordance with AS 34.45.110 -  
22 34.45.780, and the other articles of the patient's personal property  
23 shall be disposed of in the manner prescribed by the department and  
24 the proceeds [SHALL BE] deposited in the general fund [STATE TREA-  
25 SURY].

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

28 \* Sec. 15. The Uniform Unclaimed Property Act, enacted in sec. 11 of  
29 this Act, does not apply to personal property already delivered to the

1 state or already the subject of escheat proceedings before the effective  
2 date of this Act.

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Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 182 (Judiciary)  
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  
12 AS 34.45.110 - 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  
29 reduced to cash, and within six months after the final liquidation

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  
19 enforcement agency shall dispose of the proceeds of the sale in the  
20 same 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

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  
7 AS 34.45.280 and is subject to AS 34.45.290 - 34.45.780 [THIS CHAP-  
8 TER].

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

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

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

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

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

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

1 distributable is presumed abandoned.

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

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

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

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

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

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

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

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

1 its escheat or unclaimed property law is not applicable to the proper-  
2 ty, and the holder is a domiciliary, government, or governmental  
3 subdivision or agency, including a municipality, of the state;

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

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

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

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

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

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

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

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

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

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

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

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

1 unclaimed property law is not applicable to the property.

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

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

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

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

1 investment certificate, or other intangible property interest in a  
2 banking or financial organization is presumed abandoned unless the  
3 owner, within the preceding five years has,

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

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

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

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

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

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

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

29 (b) A holder may not impose, with respect to property described

1 in (a) of this section, a charge due to dormancy or inactivity, or  
2 cease payment of interest unless

3 (1) there is an enforceable written contract between the  
4 holder and the owner of the property under which the holder may impose  
5 a charge or cease payment of interest, and those charges are reason-  
6 able;

7 (2) for property in excess of \$10, the holder, no more than  
8 three months before the initial imposition of those charges or cessa-  
9 tion of interest, has given to the owner written notice of the amount  
10 of those charges at the last known address of the owner, stating that  
11 those charges will be imposed or that interest will cease; however,  
12 the notice required by this paragraph need not be given for charges  
13 imposed or interest ceased before the effective date of this Act; and

14 (3) the holder regularly imposes the charges or ceases  
15 payment of interest, and does not regularly reverse or otherwise  
16 cancel the charges or retroactively credit interest with respect to  
17 the property.

18 (c) Property described in (a) of this section that is automat-  
19 ically renewable is matured for purposes of (a) of this section upon  
20 the expiration of its initial time period. However, in the case of a  
21 renewal to which the owner consents at or about the time of renewal by  
22 communicating in writing with the banking or financial organization or  
23 by otherwise indicating consent as evidenced by a memorandum or other  
24 record on file, prepared by an employee of the organization, the prop-  
25 erty is matured upon the expiration of the last time period for which  
26 consent was given. If, at the time provided for delivery in AS 34.-  
27 45.320, a penalty or forfeiture in the payment of interest would  
28 result from the delivery of the property, the time for delivery is  
29 extended until the time when no penalty or forfeiture would result.

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

3 Sec. 34.45.170. MONEY OWING UNDER LIFE INSURANCE POLICIES. (a)  
4 Money held or owing under a life or endowment insurance policy or  
5 annuity contract that has matured or terminated is presumed abandoned  
6 if unclaimed for more than five years after the money became due and  
7 payable as established from the records of the insurance company  
8 holding or owing the money. However, property described in (c)(2) of  
9 this section is presumed abandoned if unclaimed for more than two  
10 years.

11 (b) If a person other than the insured or annuitant is entitled  
12 to the money and the address of that person is not known to the compa-  
13 ny, or it is not definite and certain from the records of the company  
14 who is entitled to the money, it is presumed that the last known  
15 address of the person entitled to the money is the same as the last  
16 known address of the insured or annuitant according to the records of  
17 the company.

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

22 (1) the company knows that the insured or annuitant has  
23 died; or

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

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

29 (B) neither the insured nor another person appearing

1 to have an interest in the policy has, within the preceding two  
2 years, according to the records of the company, assigned, read-  
3 justed, or paid premiums on the policy, subjected the policy to a  
4 loan, corresponded in writing with the company concerning the  
5 policy, or otherwise indicated an interest as evidenced by a  
6 memorandum or other record, on file, prepared by an employee of  
7 the company.

8 (d) For purposes of this section, the application of an automat-  
9 ic premium loan provision or other nonforfeiture provision contained  
10 in an insurance policy does not prevent a policy from being matured or  
11 terminated under (a) of this section if the insured has died or the  
12 insured or the beneficiary of the policy otherwise has become entitled  
13 to the proceeds of the policy before the depletion of the cash surren-  
14 der value of a policy by the application of those nonforfeiture pro-  
15 visions.

16 (e) If the laws of the state or the terms of the life insurance  
17 policy require the company to give notice to the insured or the owner  
18 that an automatic premium loan provision or other nonforfeiture pro-  
19 vision has been exercised and the notice is to be given to an insured  
20 or owner at the last known address, according to the records of the  
21 company in the state but is undeliverable, the company shall make  
22 a reasonable search to ascertain the policyholder's correct address to  
23 which the notice must be mailed.

24 (f) Notwithstanding any other provision of law, if the company  
25 learns of the death of the insured or annuitant and the beneficiary  
26 has not communicated with the insurer within four months after the  
27 death, the company shall take reasonable steps to pay the proceeds to  
28 the beneficiary.

29 (g) Commencing two years after the effective date of this Act,

1 every change-of-beneficiary form issued by an insurance company under  
2 a life or endowment insurance policy or annuity contract to an insured  
3 or owner who is a resident of the state must request the following  
4 information:

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

7 (2) the address of each beneficiary; and

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

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

15 Sec. 34.45.190. REFUNDS HELD BY BUSINESS ASSOCIATIONS. Except  
16 to the extent otherwise ordered by a court or administrative agency,  
17 money that a business association has been ordered by the court or  
18 administrative agency to refund is presumed abandoned if it remains  
19 unclaimed by the owner for more than one year after it became payable  
20 in accordance with the final determination or order providing for the  
21 refund, regardless of whether the final determination or order re-  
22 quires the owner to make a claim for it.

23 Sec. 34.45.200. STOCK AND OTHER INTANGIBLE INTERESTS IN BUSINESS  
24 ASSOCIATIONS. (a) Except as otherwise provided in AS 34.35.210 and  
25 (b) and (e) of this section, stock or other intangible ownership  
26 interest in a business association, the existence of which is evi-  
27 denced by records available to the association, is presumed abandoned  
28 and, with respect to the ownership interest, the association is the  
29 holder, if a dividend, distribution, or other money payable as a

1 result of the interest has remained unclaimed by the owner for seven  
2 years after the money became payable, and the owner, within that seven  
3 years, has not

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

7 (2) otherwise communicated with the association regarding  
8 the ownership interest or a dividend, distribution, or other money  
9 payable as a result of the interest, as evidenced by a memorandum or  
10 other record, on file with the association, prepared by an employee of  
11 the association.

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

24 (c) The running of the seven-year period of abandonment ceases  
25 immediately upon the occurrence of a communication described in (a) of  
26 this section. If a subsequent dividend, distribution, or other money  
27 payable to the owner as a result of the ownership interest is not  
28 claimed by the owner, a new seven-year period of abandonment commences  
29 at the time that subsequent dividend, distribution, or other money

1 became due and payable.

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

6 (e) This section does not apply to a stock or other intangible  
7 ownership interest enrolled in a plan that provides for the automatic  
8 reinvestment of dividends, distributions, or other money payable as a  
9 result of the interest, unless the records available to the adminis-  
10 trator of the plan show, with respect to another intangible ownership  
11 interest not enrolled in the reinvestment plan, that the owner has not  
12 within seven years communicated in a manner described in (a) of this  
13 section.

14 Sec. 34.45.210. PROPERTY OF BUSINESS ASSOCIATIONS HELD IN COURSE  
15 OF DISSOLUTION. Except for intangible property distributable under  
16 AS 06.05.465, intangible property distributable in the course of a  
17 dissolution of a business association that remains unclaimed by the  
18 owner for more than one year after the date specified for final dis-  
19 tribution is presumed abandoned.

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

29 (b) Money in an individual retirement account or a retirement

1 plan for self-employed individuals or similar account or plan estab-  
2 lished under the internal revenue laws of the United States is not  
3 payable or distributable within the meaning of (a) of this section  
4 unless, under the terms of the account or plan, distribution of all or  
5 part of the funds would then be mandatory.

6 (c) For the purpose of this section, a person who holds property  
7 as an agent for a business association is considered as holding the  
8 property in a fiduciary capacity for that business association alone,  
9 unless the agreement between that person and the business association  
10 provides otherwise.

11 (d) For the purposes of this chapter, a person who is considered  
12 as holding property in a fiduciary capacity for a business association  
13 alone is the holder of the property only so far as the interest of the  
14 business association in the property is concerned, and the business  
15 association is the holder of the property so far as the interest of  
16 another person in the property is concerned.

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

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

28 (b) In the case of a gift certificate, the amount presumed  
29 abandoned is the price paid by the purchaser for the gift certificate.

1 In the case of a credit memo, the amount presumed abandoned is the  
2 amount credited to the recipient of the memo.

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

7 Sec. 34.45.260. CONTENTS OF SAFE DEPOSIT BOX OR OTHER SAFEKEEP-  
8 ING REPOSITORY. All tangible and intangible personal property held in  
9 a safe deposit box or other safekeeping repository in the state in the  
10 ordinary course of the holder's business, and proceeds resulting from  
11 the sale of the property permitted by other law, that remain unclaimed  
12 by the owner for more than five years after the lease or rental period  
13 on the box or other repository has expired, are presumed abandoned.

14 ARTICLE 4. REPORTING AND DISPOSITION OF PERSONAL PROPERTY.

15 Sec. 34.45.280. REPORT OF ABANDONED PERSONAL PROPERTY. (a) A  
16 person holding personal property, tangible or intangible, presumed  
17 abandoned and subject to custody as unclaimed property under AS 34.-  
18 45.110 - 34.45.430, shall report to the department concerning the  
19 property as provided in this section.

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

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

27 (2) in the case of unclaimed money amounting to \$25 or  
28 more, held or owing under a life or endowment insurance policy or  
29 annuity contract, the full name and last known address of the insured

1 or annuitant and of the beneficiary according to the records of the  
2 insurance company holding or owing the funds;

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

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

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

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

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

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

28 (e) Not more than 120 days before filing the report required by  
29 this section, the holder in possession of property presumed abandoned

1 and subject to custody as unclaimed property under AS 34.45.110 -  
2 34.45.430 shall send written notice to the apparent owner at the  
3 owner's last known address informing the owner that the holder is in  
4 possession of property subject to this chapter if

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

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

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

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

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

15 (b) The department, at reasonable times and upon reasonable  
16 notice, may examine the records of a person to determine whether the  
17 person has complied with the provisions of this chapter. The depart-  
18 ment may conduct the examination even if the person believes that the  
19 person does not possess property reportable or deliverable under this  
20 chapter. The department shall use the information obtained under this  
21 subsection only for the purposes of this chapter.

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

28 (d) If, after the effective date of this Act, a holder fails to  
29 maintain the records required by AS 34.45.300 and the records of the

1 holder available for the periods subject to AS 34.45.110 - AS 34.-  
2 45.780 are insufficient to permit the preparation of a report, the  
3 department may require the holder to report and pay the amount that is  
4 reasonably estimated from the available records.

5 Sec. 34.45.300. RETENTION OF RECORDS. (a) Every holder re-  
6 quired to file a report under AS 34.45.280, shall, if it has obtained  
7 the last known address of the owner, maintain a record of the name and  
8 last known address of the owner for 10 years after the property be-  
9 comes reportable, unless a shorter time period is provided in (b) of  
10 this section or by regulations adopted by the department.

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

18 Sec. 34.45.410. NOTICE AND PUBLICATION OF LISTS OF ABANDONED  
19 PROPERTY. (a) The department shall publish a notice not later than  
20 the March 1 following the submission of the report required by AS 34.-  
21 45.280, or in the case of property reported by life insurance com-  
22 panies, not later than the September 1 following the submission of the  
23 report. The notice shall be published at least once a week for two  
24 consecutive weeks in a newspaper of general circulation in the area of  
25 the state in which the last known address of a person to be named in  
26 the notice is located. If no address is listed or the address is  
27 outside the state, the notice shall be published in a newspaper of  
28 general circulation in the area in which the holder of property has  
29 its principal place of business in the state.

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

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

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

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

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

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