

This Document can be made available
in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. **2538**

03/14/2019 Authored by Mahoney
The bill was read for the first time and referred to the Committee on Ways and Means
03/21/2019 By motion, recalled and re-referred to the Committee on Commerce
03/28/2019 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to commerce; unclaimed property; codifying the Revised Unclaimed
1.3 Property Act; appropriating money; amending Minnesota Statutes 2018, sections
1.4 345.515; 345.53, subdivision 1, by adding a subdivision; proposing coding for
1.5 new law as Minnesota Statutes, chapter 345A; repealing Minnesota Statutes 2018,
1.6 section 345.53, subdivision 2.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 **ARTICLE 1**
1.9 **UNCLAIMED PROPERTY; GENERAL**

1.10 Section 1. **345A.101 DEFINITIONS.**

1.11 (1) For the purposes of this chapter, the terms defined in this section have the meanings
1.12 given them.

1.13 (2) "Administrator" means the commissioner of commerce.

1.14 (3) "Administrator's agent" means a person with which the administrator contracts to
1.15 conduct an examination under this chapter on behalf of the administrator. The term includes
1.16 an independent contractor of the person and each individual participating in the examination
1.17 on behalf of the person or contractor.

1.18 (4) "Affiliated group of merchants" means two or more affiliated merchants or other
1.19 persons that are related by common ownership or common corporate control and that share
1.20 the same name, mark, or logo. Affiliated group of merchants also applies to two or more
1.21 merchants or other persons that agree among themselves, by contract or otherwise, to redeem
1.22 cards, codes, or other devices bearing the same name, mark, or logo, other than the mark,
1.23 logo, or brand of a payment network, for the purchase of goods or services solely at such

2.1 merchants or persons. However, merchants or other persons are not considered affiliated
2.2 merely because they agree to accept a card that bears the mark, logo, or brand of a payment
2.3 network.

2.4 (5) "Apparent owner" means a person whose name appears on the records of a holder
2.5 as the owner of property held, issued, or owing by the holder.

2.6 (6) "Business association" means a corporation, joint stock company, investment
2.7 company, other than an investment company registered under the Investment Company Act
2.8 of 1940, as amended, United States Code, title 15, sections 80a-1 to 80a-64, partnership,
2.9 unincorporated association, joint venture, limited liability company, business trust, trust
2.10 company, land bank, safe deposit company, safekeeping depository, financial organization,
2.11 insurance company, federally chartered entity, utility, sole proprietorship, or other business
2.12 entity, whether or not for profit.

2.13 (7) "District court" means Ramsey County District Court.

2.14 (8) "Domicile" means:

2.15 (A) for a corporation, the state of its incorporation;

2.16 (B) for a business association whose formation requires a filing with a state, other than
2.17 a corporation, the state of its filing;

2.18 (C) for a federally chartered entity or an investment company registered under the
2.19 Investment Company Act of 1940, as amended, United States Code, title 15, sections 80a-1
2.20 to 80a-64, the state of its home office; and

2.21 (D) for any other holder, the state of its principal place of business.

2.22 (9) "Electronic" means relating to technology having electrical, digital, magnetic, wireless,
2.23 optical, electromagnetic, or similar capabilities.

2.24 (10) "E-mail" means a communication by electronic means which is automatically
2.25 retained and stored and may be readily accessed or retrieved.

2.26 (11) "Financial organization" means a savings and loan association, building and loan
2.27 association, savings bank, industrial bank, bank, banking organization, or credit union.

2.28 (12) "Game-related digital content" means digital content that exists only in an electronic
2.29 game or electronic-game platform. The term:

2.30 (A) includes:

3.1 i. game-play currency such as a virtual wallet, even if denominated in United States
3.2 currency; and

3.3 ii. the following if for use or redemption only within the game or platform or another
3.4 electronic game or electronic-game platform:

3.5 1. points sometimes referred to as gems, tokens, gold, and similar names; and

3.6 2. digital codes; and

3.7 (B) does not include an item that the issuer:

3.8 i. permits to be redeemed for use outside a game or platform for:

3.9 ii. money; or

3.10 iii. goods or services that have more than minimal value; or

3.11 iv. otherwise monetizes for use outside a game or platform.

3.12 (13) "Gift card" means:

3.13 (A) a stored-value card:

3.14 i. issued on a prepaid basis for a specified amount;

3.15 ii. the value of which does not expire;

3.16 iii. that is not subject to a dormancy, inactivity, or service fee;

3.17 iv. that may be decreased in value only by redemption for merchandise, goods, or services
3.18 upon presentation at a single merchant or an affiliated group of merchants;

3.19 v. that, unless required by law, may not be redeemed for or converted into money or
3.20 otherwise monetized by the issuer; and

3.21 (B) includes a prepaid commercial mobile radio service, as defined in Code of Federal
3.22 Regulations, title 47, section 20.3, as amended.

3.23 (14) "Holder" means a person obligated to hold for the account of, or to deliver or pay
3.24 to, the owner, property subject to this chapter.

3.25 (15) "Insurance company" means an association, corporation, or fraternal or
3.26 mutual-benefit organization, whether or not for profit, engaged in the business of providing
3.27 life endowments, annuities, or insurance, including accident, burial, casualty, credit-life,
3.28 contract-performance, dental, disability, fidelity, fire, health, hospitalization, illness, life,
3.29 malpractice, marine, mortgage, surety, wage-protection, and worker-compensation insurance.

4.1 (16) "Loyalty card" means a record given without direct monetary consideration under
4.2 an award, reward, benefit, loyalty, incentive, rebate, or promotional program which may
4.3 be used or redeemed only to obtain goods or services or a discount on goods or services.
4.4 Loyalty card does not include a record that may be redeemed for money or otherwise
4.5 monetized by the issuer.

4.6 (17) "Mineral" means gas, oil, coal, oil shale, other gaseous liquid or solid hydrocarbon,
4.7 cement material, sand and gravel, road material, building stone, chemical raw material,
4.8 gemstone, fissionable and nonfissionable ores, colloidal and other clay, steam and other
4.9 geothermal resources, and any other substance defined as a mineral by law of this state other
4.10 than this chapter.

4.11 (18) "Mineral proceeds" means an amount payable for extraction, production, or sale of
4.12 minerals, or, on the abandonment of the amount, an amount that becomes payable after
4.13 abandonment. Mineral proceeds includes an amount payable:

4.14 (A) for the acquisition and retention of a mineral lease, including a bonus, royalty,
4.15 compensatory royalty, shut-in royalty, minimum royalty, and delay rental;

4.16 (B) for the extraction, production, or sale of minerals, including a net revenue interest,
4.17 royalty, overriding royalty, extraction payment, and production payment; and

4.18 (C) under an agreement or option, including a joint-operating agreement, unit agreement,
4.19 pooling agreement, and farm-out agreement.

4.20 (19) "Money order" means a payment order for a specified amount of money. Money
4.21 order includes an express money order and a personal money order on which the remitter
4.22 is the purchaser.

4.23 (20) "Municipal bond" means a bond or evidence of indebtedness issued by a municipality
4.24 or other political subdivision of a state.

4.25 (21) "Net card value" means the original purchase price or original issued value of a
4.26 stored-value card, plus amounts added to the original price or value, minus amounts used
4.27 and any service charge, fee, or dormancy charge permitted by law.

4.28 (22) "Nonfreely transferable security" means a security that cannot be delivered to the
4.29 administrator by the Depository Trust Clearing Corporation or similar custodian of securities
4.30 providing post-trade clearing and settlement services to financial markets or cannot be
4.31 delivered because there is no agent to effect transfer. Nonfreely transferable security includes
4.32 a worthless security.

5.1 (23) "Owner" means a person that has a legal, beneficial, or equitable interest in property
5.2 subject to this chapter or the person's legal representative when acting on behalf of the
5.3 owner. Owner includes:

5.4 (A) a depositor, for a deposit;

5.5 (B) a beneficiary, for a trust other than a deposit in trust;

5.6 (C) a creditor, claimant, or payee, for other property; and

5.7 (D) the lawful bearer of a record that may be used to obtain money, a reward, or a thing
5.8 of value.

5.9 (24) "Payroll card" means a record that evidences a payroll card account as defined in
5.10 Regulation E, Code of Federal Regulations, title 12, part 1005, as amended.

5.11 (25) "Person" means an individual, estate, business association, public corporation,
5.12 government or governmental subdivision, agency, instrumentality, or other legal entity
5.13 whether or not for profit.

5.14 (26) "Property" means tangible property described in section 345A.205 or a fixed and
5.15 certain interest in intangible property held, issued, or owed in the course of a holder's business
5.16 or by a government, governmental subdivision, agency, or instrumentality. Property:

5.17 (A) includes all income from or increments to the property;

5.18 (B) includes property referred to as or evidenced by:

5.19 i. money, virtual currency, interest, dividend, check, draft, deposit, or payroll card;

5.20 ii. a credit balance, customer's overpayment, stored-value card, security deposit, refund,
5.21 credit memorandum, unpaid wage, unused ticket for which the issuer has an obligation to
5.22 provide a refund, mineral proceeds, or unidentified remittance;

5.23 iii. a security except for:

5.24 1. a worthless security; or

5.25 2. a security that is subject to a lien, legal hold, or restriction evidenced on the records
5.26 of the holder or imposed by operation of law, if the lien, legal hold, or restriction restricts
5.27 the holder's or owner's ability to receive, transfer, sell, or otherwise negotiate the security;

5.28 iv. a bond, debenture, note, or other evidence of indebtedness;

5.29 v. money deposited to redeem a security, make a distribution, or pay a dividend;

5.30 vi. an amount due and payable under an annuity contract or insurance policy; and

6.1 vii. an amount distributable from a trust or custodial fund established under a plan to
6.2 provide health, welfare, pension, vacation, severance, retirement, death, stock purchase,
6.3 profit-sharing, employee savings, supplemental unemployment insurance, or a similar
6.4 benefit; and

6.5 (C) does not include:

6.6 i. property held in a plan described in section 529A of the Internal Revenue Code, as
6.7 amended, United States Code, title 26, section 529A;

6.8 ii. game-related digital content;

6.9 iii. a loyalty card;

6.10 iv. a gift card; or

6.11 v. money held or owing by a public pension fund enumerated in section 356.20,
6.12 subdivision 2, or 356.30, subdivision 3; or covered by sections 69.77 or 69.771 to 69.776,
6.13 if the plan governing the public pension fund includes a provision governing the disposition
6.14 of unclaimed amounts of money.

6.15 (27) "Putative holder" means a person believed by the administrator to be a holder, until
6.16 the person pays or delivers to the administrator property subject to this chapter or the
6.17 administrator or a court makes a final determination that the person is or is not a holder.

6.18 (28) "Record" means information that is inscribed on a tangible medium or that is stored
6.19 in an electronic or other medium and is retrievable in perceivable form. "Records of the
6.20 holder" includes records maintained by a third party that has contracted with the holder.

6.21 (29) "Security" means:

6.22 (A) a security as defined in article 8 of the Uniform Commercial Code, section 336.8-102;

6.23 (B) a security entitlement as defined in article 8 of the Uniform Commercial Code,
6.24 section 336.8-102, including a customer security account held by a registered broker-dealer,
6.25 to the extent the financial assets held in the security account are not:

6.26 i. registered on the books of the issuer in the name of the person for which the
6.27 broker-dealer holds the assets;

6.28 ii. payable to the order of the person; or

6.29 iii. specifically endorsed to the person; or

6.30 (C) an equity interest in a business association not included in subparagraph (A) or (B).

7.1 (30) "State" means a state of the United States, the District of Columbia, the
7.2 Commonwealth of Puerto Rico, the United States Virgin Islands, or any territory or insular
7.3 possession subject to the jurisdiction of the United States.

7.4 (31) "Stored-value card" means a record evidencing a promise made for consideration
7.5 by the seller or issuer of the record that goods, services, or money will be provided to the
7.6 owner of the record to the value or amount shown in the record. Stored-value card:

7.7 (A) includes:

7.8 i. a record that contains or consists of a microprocessor chip, magnetic strip, or other
7.9 means for the storage of information, which is prefunded and whose value or amount is
7.10 decreased on each use and increased by payment of additional consideration; and

7.11 ii. a payroll card; and

7.12 (B) does not include a loyalty card, gift card, or game-related digital content.

7.13 (32) "Utility" means a person that owns or operates for public use a plant, equipment,
7.14 real property, franchise, or license for the following public services:

7.15 (A) transmission of communications or information;

7.16 (B) production, storage, transmission, sale, delivery, or furnishing of electricity, water,
7.17 steam, or gas; or

7.18 (C) provision of sewage or septic services, or trash, garbage, or recycling disposal.

7.19 (33) "Virtual currency" means a digital representation of value used as a medium of
7.20 exchange, unit of account, or store of value, which does not have legal tender status
7.21 recognized by the United States. Virtual currency does not include:

7.22 (A) the software or protocols governing the transfer of the digital representation of value;

7.23 (B) game-related digital content; or

7.24 (C) a loyalty card or gift card.

7.25 (34) "Worthless security" means a security whose cost of liquidation and delivery to the
7.26 administrator would exceed the value of the security on the date a report is due under this
7.27 chapter.

7.28 **Sec. 2. [345A.102] INAPPLICABILITY TO FOREIGN TRANSACTION.**

7.29 This chapter does not apply to property held, due, and owing in a foreign country if the
7.30 transaction out of which the property arose was a foreign transaction.

ARTICLE 2

UNCLAIMED PROPERTY; PRESUMPTION OF ABANDONMENT

Section 1. [345A.201] WHEN PROPERTY PRESUMED ABANDONED.

Subject to section 345A.210, the following property is presumed abandoned if it is unclaimed by the apparent owner during the period specified below:

(1) a traveler's check, 15 years after issuance;

(2) a money order, seven years after issuance;

(3) cooperative property, including any profit distribution or other sum held or owing by a cooperative to a participating patron is presumed abandoned only if it has remained unclaimed by the owner for more than seven years after it became payable or distributable;

(4) a state or municipal bond, bearer bond, or original-issue discount bond, three years after the earliest of the date the bond matures or is called or the obligation to pay the principal of the bond arises;

(5) a debt of a business association, three years after the obligation to pay arises;

(6) demand, savings, or time deposit, including a deposit that is automatically renewable, three years after the later of the maturity or the date of the last indication of interest in the property by the apparent owner, except a deposit that is automatically renewable is deemed matured three years after its initial date of maturity unless the apparent owner consented to renewal in a record on file with the holder at or about the time of the renewal;

(7) money or a credit owed to a customer as a result of a retail business transaction, other than in-store credit for returned merchandise, three years after the obligation arose;

(8) an amount owed by an insurance company on a life or endowment insurance policy or an annuity contract that has matured or terminated, three years after the obligation to pay arose under the terms of the policy or contract or, if a policy or contract for which an amount is owed on proof of death has not matured by proof of the death of the insured or annuitant, as follows:

(A) with respect to an amount owed on a life or endowment insurance policy, the earlier of:

i. three years after the death of the insured; or

ii. two years after the insured has attained, or would have attained if living, the limiting age under the mortality table in which the reserve for the policy is based; and

9.1 (B) with respect to an amount owed on an annuity contract, three years after the date of
9.2 the death of the annuitant;

9.3 (9) funds on deposit or held in trust for the prepayment of funeral or other funeral-related
9.4 expenses, the earliest of:

9.5 (A) two years after the date of death of the beneficiary;

9.6 (B) one year after the date the beneficiary has attained, or would have attained if living,
9.7 the age of 105 where the holder does not know whether the beneficiary is deceased; or

9.8 (C) 30 years after the contract for prepayment was executed;

9.9 (10) property distributable by a business association in the course of dissolution, one
9.10 year after the property becomes distributable;

9.11 (11) property held by a court, including property received as proceeds of a class action,
9.12 three years after the property becomes distributable;

9.13 (12) property held by a government or governmental subdivision, agency, or
9.14 instrumentality, including municipal bond interest and unredeemed principal under the
9.15 administration of a paying agent or indenture trustee, one year after the property becomes
9.16 distributable;

9.17 (13) wages, commissions, bonuses, or reimbursements to which an employee is entitled,
9.18 or other compensation for personal services, including amounts held on a payroll card, one
9.19 year after the amount becomes payable;

9.20 (14) a deposit or refund owed to a subscriber by a utility, one year after the deposit or
9.21 refund becomes payable; and

9.22 (15) property not specified in this section or sections 345A.202 to 345A.208, the earlier
9.23 of three years after the owner first has a right to demand the property or the obligation to
9.24 pay or distribute the property arises.

9.25 Notwithstanding any provision in this section to the contrary, and subject to section
9.26 345A.210, a deceased owner cannot indicate interest in the owner's property. If the owner
9.27 is deceased and the abandonment period for the owner's property specified in this section
9.28 is greater than two years, then the property, excluding any amounts owed by an insurance
9.29 company on a life or endowment insurance policy or an annuity contract that has matured
9.30 or terminated, shall instead be presumed abandoned two years from the date of the owner's
9.31 last indication of interest in the property.

10.1 Sec. 2. [345A.202] WHEN TAX-DEFERRED RETIREMENT ACCOUNT
10.2 PRESUMED ABANDONED.

10.3 (a) Subject to section 345A.210, property held in a pension account or retirement account
10.4 that qualifies for tax deferral under the income tax laws of the United States is presumed
10.5 abandoned if it is unclaimed by the apparent owner after the later of:

10.6 (1) three years after the following dates:

10.7 (A) except as in subparagraph (B), the date a communication sent by the holder by
10.8 first-class United States mail to the apparent owner is returned to the holder undelivered by
10.9 the United States Postal Service; or

10.10 (B) if such communication is re-sent within 30 days after the date the first communication
10.11 is returned undelivered, the date the second communication was returned undelivered by
10.12 the United States Postal Service; or

10.13 (2) the earlier of the following dates:

10.14 (A) three years after the date the apparent owner becomes 70.5 years of age, if
10.15 determinable by the holder; or

10.16 (B) one year after the date of mandatory distribution following death if the Internal
10.17 Revenue Code, as amended, United States Code, title 26, section 1, et seq., requires
10.18 distribution to avoid a tax penalty and the holder:

10.19 (i) receives confirmation of the death of the apparent owner in the ordinary course of
10.20 its business; or

10.21 (ii) confirms the death of the apparent owner under subsection (b).

10.22 (b) If a holder in the ordinary course of its business receives notice or an indication of
10.23 the death of an apparent owner and subsection (a)(2) applies, the holder shall attempt, not
10.24 later than 90 days after receipt of the notice or indication, to confirm whether the apparent
10.25 owner is deceased.

10.26 (c) If the holder does not send communications to the apparent owner of an account
10.27 described in subsection (a) by first-class United States mail, the holder shall attempt to
10.28 confirm the apparent owner's interest in the property by sending the apparent owner an
10.29 e-mail communication not later than two years after the apparent owner's last indication of
10.30 interest in the property; however, the holder promptly shall attempt to contact the apparent
10.31 owner by first-class United States mail if:

11.1 (1) the holder does not have information needed to send the apparent owner an e-mail
11.2 communication or the holder believes that the apparent owner's e-mail address in the holder's
11.3 records is not valid;

11.4 (2) the holder receives notification that the e-mail communication was not received; or

11.5 (3) the apparent owner does not respond to the e-mail communication not later than 30
11.6 days after the communication was sent.

11.7 (d) If first-class United States mail sent under subsection (c) is returned to the holder
11.8 undelivered by the United States Postal Service, the property is presumed abandoned three
11.9 years after the later of:

11.10 (1) except as in paragraph (2), the date a communication to contact the apparent owner
11.11 sent by first-class United States mail is returned to the holder undelivered;

11.12 (2) if such communication is sent later than 30 days after the date the first communication
11.13 is returned undelivered, the date the second communication was returned undelivered; or

11.14 (3) the date established by subsection (a)(2).

11.15 **Sec. 3. [345A.203] WHEN OTHER TAX-DEFERRED ACCOUNT PRESUMED**
11.16 **ABANDONED.**

11.17 (a) Subject to section 345A.210 and except for property described in section 345A.202
11.18 and property held in a plan described in section 529A of the Internal Revenue Code, as
11.19 amended; United States Code, title 26, section 529A, property held in an account or plan,
11.20 including a health savings account, that qualifies for tax deferral under the income tax laws
11.21 of the United States is presumed abandoned if it is unclaimed by the apparent owner three
11.22 years after the earlier of:

11.23 (1) the date, if determinable by the holder, specified in the income tax laws and
11.24 regulations of the United States by which distribution of the property must begin to avoid
11.25 a tax penalty, with no distribution having been made; or

11.26 (2) 30 years after the date the account was opened.

11.27 (b) If the owner is deceased, property subject to this section is presumed abandoned two
11.28 years from the earliest of:

11.29 (1) the date of the distribution or attempted distribution of the property;

11.30 (2) the date the required distribution as stated in the plan or trust agreement governing
11.31 the plan; or

12.1 (3) the date, if determinable by the holder, specified in the income tax laws of the United
12.2 States by which distribution of the property must begin in order to avoid a tax penalty.

12.3 **Sec. 4. [345A.204] WHEN CUSTODIAL ACCOUNT FOR MINOR PRESUMED**
12.4 **ABANDONED.**

12.5 (a) Subject to section 345A.210, property held in an account established under a state's
12.6 Uniform Gifts to Minors Act or Uniform Transfers to Minors Act is presumed abandoned
12.7 if it is unclaimed by or on behalf of the minor on whose behalf the account was opened
12.8 three years after the later of:

12.9 (1) except as in paragraph (2), the date a communication sent by the holder by first-class
12.10 United States mail to the custodian of the minor on whose behalf the account was opened
12.11 is returned undelivered to the holder by the United States Postal Service;

12.12 (2) if the communication is re-sent later than 30 days after the date the first
12.13 communication is returned undelivered, the date the second communication was returned
12.14 undelivered; or

12.15 (3) the date on which the custodian is required to transfer the property to the minor or
12.16 the minor's estate in accordance with the Uniform Gifts to Minors Act or Uniform Transfers
12.17 to Minors Act of the state in which the account was opened.

12.18 (b) If the holder does not send communications to the custodian of the minor on whose
12.19 behalf an account described in subsection (a) was opened by first-class United States mail,
12.20 the holder shall attempt to confirm the custodian's interest in the property by sending the
12.21 custodian an e-mail communication not later than two years after the custodian's last
12.22 indication of interest in the property; however, the holder promptly shall attempt to contact
12.23 the custodian by first-class United States mail if:

12.24 (1) the holder does not have information needed to send the custodian an e-mail
12.25 communication or the holder believes that the custodian's e-mail address in the holder's
12.26 records is not valid;

12.27 (2) the holder receives notification that the e-mail communication was not received; or

12.28 (3) the custodian does not respond to the e-mail communication not later than 30 days
12.29 after the communication was sent.

12.30 (c) If first-class United States mail sent under subsection (b) is returned undelivered to
12.31 the holder by the United States Postal Service, the property is presumed abandoned three
12.32 years after the later of:

13.1 (1) the date a communication to contact the custodian by first-class United States mail
13.2 is returned to the holder undelivered by the United States Postal Service; or

13.3 (2) the date established by subsection (a)(3).

13.4 (d) When the property in the account described in subsection (a) is transferred to the
13.5 minor on whose behalf an account was opened or to the minor's estate, the property in the
13.6 account is no longer subject to this section.

13.7 **Sec. 5. [345A.205] WHEN CONTENTS OF SAFE DEPOSIT BOX PRESUMED**
13.8 **ABANDONED.**

13.9 Tangible property held in a safe deposit box and proceeds from a sale of the property
13.10 by the holder permitted by law of this state other than this chapter are presumed abandoned
13.11 if the property remains unclaimed by the apparent owner five years after the earlier of the:

13.12 (1) expiration of the lease or rental period for the safe deposit box; or

13.13 (2) earliest date when the lessor of the safe deposit box is authorized by law of this state
13.14 other than this chapter to enter the safe deposit box and remove or dispose of the contents
13.15 without consent or authorization of the lessee.

13.16 **Sec. 6. [345A.206] WHEN STORED-VALUE CARD PRESUMED ABANDONED.**

13.17 (a) Subject to section 345A.210, the net card value of a stored-value card, other than a
13.18 payroll card or a gift card, is presumed abandoned on the latest of three years after:

13.19 (1) December 31 of the year in which the card is issued or additional funds are deposited
13.20 into it;

13.21 (2) the most recent indication of interest in the card by the apparent owner; or

13.22 (3) a verification or review of the balance by or on behalf of the apparent owner.

13.23 (b) The amount presumed abandoned in a stored-value card is the net card value at the
13.24 time it is presumed abandoned.

13.25 (c) If a holder has reported and remitted to the administrator the net card value on a
13.26 stored-value card presumed abandoned under this section and the stored-value card does
13.27 not have an expiration date, then the holder must honor the card on presentation indefinitely
13.28 and may then request reimbursement from the administrator under section 345A.605.

14.1 **Sec. 7. [345A.208] WHEN SECURITY PRESUMED ABANDONED.**

14.2 (a) Subject to section 345A.210, a security is presumed abandoned after the earlier of
14.3 the following:

14.4 (1) three years after the date a communication sent by the holder by first-class United
14.5 States mail to the apparent owner is returned to the holder undelivered by the United States
14.6 Postal Service or if such communication is re-sent no later than 30 days after the first
14.7 communication is returned, the date the second communication is returned undelivered to
14.8 the holder by the United States Postal Service; or

14.9 (2) five years after the date of the apparent owner's last indication of interest in the
14.10 security.

14.11 (b) If the holder does not send communications to the apparent owner of a security by
14.12 first-class United States mail, the holder shall attempt to confirm the apparent owner's
14.13 interest in the security by sending the apparent owner an e-mail communication not later
14.14 than two years after the apparent owner's last indication of interest in the security; however,
14.15 the holder promptly shall attempt to contact the apparent owner by first-class United States
14.16 mail if:

14.17 (1) the holder does not have information needed to send the apparent owner an e-mail
14.18 communication or the holder believes that the apparent owner's e-mail address in the holder's
14.19 records is not valid;

14.20 (2) the holder receives notification that the e-mail communication was not received; or

14.21 (3) the apparent owner does not respond to the e-mail communication not later than 30
14.22 days after the communication was sent.

14.23 (c) If first-class United States mail sent under subsection (b) is returned to the holder
14.24 undelivered by the United States Postal Service, the security is presumed abandoned in
14.25 accordance with subsection (a)(2).

14.26 (d) If a holder, in the ordinary course of business, receives notice or an indication of the
14.27 death of an apparent owner, the holder shall attempt, not later than 90 days after receipt of
14.28 the notice or indication, to confirm whether the apparent owner is deceased. Notwithstanding
14.29 the standards set forth in subsections (a), (b), and (c), if the holder either receives
14.30 confirmation of the death of the apparent owner in the ordinary course of business or confirms
14.31 the death of the apparent owner under this subsection, then the property shall be presumed
14.32 abandoned two years after the date of the owner's death.

15.1 Sec. 8. **[345A.209] WHEN RELATED PROPERTY PRESUMED ABANDONED.**

15.2 At and after the time property is presumed abandoned under this chapter, any other
15.3 property right or interest accrued or accruing from the property and not previously presumed
15.4 abandoned is also presumed abandoned.

15.5 Sec. 9. **[345A.210] INDICATION OF APPARENT OWNER INTEREST IN**
15.6 **PROPERTY.**

15.7 (a) The period after which property is presumed abandoned is measured from the later:

15.8 (1) the date the property is presumed abandoned under sections 345A.201 to 345A.211;

15.9 or

15.10 (2) the latest indication of interest by the apparent owner in the property.

15.11 (b) Under this chapter, an indication of an apparent owner's interest in property includes:

15.12 (1) a record communicated by the apparent owner to the holder or agent of the holder

15.13 concerning the property or the account in which the property is held;

15.14 (2) an oral communication by the apparent owner to the holder or agent of the holder

15.15 concerning the property or the account in which the property is held, if the holder or its

15.16 agent contemporaneously makes and preserves a record of the fact of the apparent owner's

15.17 communication;

15.18 (3) presentment of a check or other instrument of payment of a dividend, interest payment,

15.19 or other distribution, or evidence of receipt of a distribution made by electronic or similar

15.20 means, with respect to an account, underlying security, or interest in a business association.

15.21 (4) activity directed by an apparent owner in the account in which the property is held,

15.22 including accessing the account or information concerning the account, or a direction by

15.23 the apparent owner to increase, decrease, or otherwise change the amount or type of property

15.24 held in the account;

15.25 (5) a deposit into or withdrawal from an account at a financial organization, except for

15.26 an automatic debit or credit previously authorized by the apparent owner or an automatic

15.27 reinvestment of dividends or interest; and

15.28 (6) subject to subsection (e), payment of a premium on an insurance policy.

15.29 (c) An action by an agent or other representative of an apparent owner, other than the

15.30 holder acting as the apparent owner's agent, is presumed to be an action on behalf of the

15.31 apparent owner.

16.1 (d) A communication with an apparent owner by a person other than the holder or the
16.2 holder's representative is not an indication of interest in the property by the apparent owner
16.3 unless a record of the communication evidences the apparent owner's knowledge of a right
16.4 to the property.

16.5 (e) If the insured dies or the insured or beneficiary of an insurance policy otherwise
16.6 becomes entitled to the proceeds before depletion of the cash surrender value of the policy
16.7 by operation of an automatic premium loan provision or other nonforfeiture provision
16.8 contained in the policy, the operation does not prevent the policy from maturing or
16.9 terminating.

16.10 (f) If the apparent owner has other property with the holder to which section 345A.201,
16.11 paragraph (6), applies, the activity directed by the apparent owner toward any other accounts,
16.12 including but not limited to loan accounts, at the financial organization holding an inactive
16.13 account of the apparent owner shall be an indication of interest in all such accounts if:

16.14 (1) the apparent owner engages in one or more of the following activities:

16.15 (A) the apparent owner undertakes one or more of the actions described in subsection
16.16 (b) regarding an account that appears on a consolidated statement with the inactive account;

16.17 (B) the apparent owner increases or decreases the amount of funds in any other account
16.18 the apparent owner has with the financial organization; or

16.19 (C) the apparent owner engages in any other relationship with the financial organization,
16.20 including payment of any amounts due on a loan; and

16.21 (2) the mailing address for the apparent owner in the financial organization's records is
16.22 the same for both the inactive account and the active account.

16.23 **Sec. 10. [345A.211] KNOWLEDGE OF DEATH OF INSURED OR ANNUITANT.**

16.24 (a) In this section, "death master file" ("DMF") means the United States Social Security
16.25 Administration Death Master File or other database or service that is at least as
16.26 comprehensive as the United States Social Security Administration Death Master File for
16.27 determining that an individual reportedly has died.

16.28 (b) With respect to a life or endowment insurance policy or annuity contract for which
16.29 an amount is owed on proof of death, but which has not matured by proof of death of the
16.30 insured or annuitant, the company has knowledge of the death of an insured or annuitant
16.31 when:

17.1 (1) the company receives a death certificate or court order determining that the insured
17.2 or annuitant has died;

17.3 (2) the company receives notice of the death of the insured or annuitant from the
17.4 administrator or an unclaimed property administrator of another state, a beneficiary, a policy
17.5 owner, a relative of the insured, a representative under the Probate Act of 1975, or an
17.6 executor or other legal representative of the insured's or annuitant's estate and validates the
17.7 death of the insured or annuitant;

17.8 (3) the company conducts a comparison for any purpose between a DMF and the names
17.9 of some or all of the company's insureds or annuitants, finds a match that provides notice
17.10 that the insured or annuitant has died, and validates the death; or

17.11 (4) the administrator or the administrator's agent conducts a comparison for the purpose
17.12 of finding matches during an examination conducted under this chapter between a DMF
17.13 and the names of some or all of the company's insureds or annuitants, and finds a match
17.14 that provides notice that the insured or annuitant has died.

17.15 (c) A holder shall perform a comparison of its insureds' in-force policies, annuity
17.16 contracts, and retained asset accounts against a DMF on at least a semiannual basis by using
17.17 the full DMF once and thereafter using DMF updated files for future comparisons to identify
17.18 potential matches of its insureds.

17.19 (d) A death master file match under subsection (b)(3) or (4) occurs if the criteria for an
17.20 exact or partial match are satisfied.

17.21 (1) an exact match occurs when the Social Security number, first and last name, and
17.22 date of birth contained in the holder's records matches exactly to the data contained in the
17.23 DMF;

17.24 (2) a partial match occurs in any of the following circumstances:

17.25 (A) when the Social Security number contained in the data found in the holder's records
17.26 matches exactly or in accordance with the fuzzy match criteria listed below to the Social
17.27 Security number contained in the DMF, the first and last names match either exactly or in
17.28 accordance with the fuzzy match criteria listed below, and the date of birth matches exactly
17.29 or in accordance with the fuzzy match criteria listed below;

17.30 (B) when the holder's records do not include a Social Security number or where the
17.31 Social Security number is incomplete or otherwise invalid, and there is a first name, last
17.32 name, and date of birth combination in the holder's data that is a match against the data
17.33 contained in the DMF where the first and last names match either exactly or in accordance

18.1 with the fuzzy match criteria listed below and the date of birth matches exactly or in
18.2 accordance with the fuzzy match criteria listed below;

18.3 (C) if there is more than one potentially matched individual returned as a result of the
18.4 process described in paragraphs (A) and (B) above, the holder shall search the Social Security
18.5 numbers obtained from the DMF for the potential matched individuals against Accurint for
18.6 Insurance or an equivalent database. If a search of those databases shows that the DMF
18.7 Social Security number is listed at the address in the holder's records for the insured, a
18.8 partial match will be considered to have been made only for individuals with a matching
18.9 address;

18.10 (D) fuzzy match criteria includes the following:

18.11 (i) a first name fuzzy match includes one or more of the following: a nickname; an initial
18.12 instead of a full first name; accepted industry standard phonetic name-matching algorithm;
18.13 data entry mistakes with a maximum difference of one character with at least five characters
18.14 in length; a first and last name are provided and cannot be reliably distinguished from one
18.15 another; use of interchanged first name and middle name; a misused compound name; and
18.16 the use of a "Mrs." in conjunction with a spouse's name where the date of birth and Social
18.17 Security number match exactly and the last name matches exactly or in accordance with
18.18 the fuzzy match criteria listed herein;

18.19 (ii) a last name fuzzy match includes one or more of the following: Anglicized forms
18.20 of last names; compound last name; blank spaces in last name; accepted industry standard
18.21 phonetic name-matching algorithm; a first and last name are provided and cannot be reliably
18.22 distinguished from one another; use of apostrophe or other punctuation; data entry mistakes
18.23 with a maximum difference of one character for last name with at least eight characters in
18.24 length; and married female last name variations;

18.25 (iii) a date of birth fuzzy match includes one of the following: two dates with a maximum
18.26 of two digits in difference, but only one entry mistake per full date is allowable; transposition
18.27 of the month and date portion of the date of birth; if the holder's records do not contain a
18.28 complete date of birth, then a fuzzy match date of birth will be found to exist where the data
18.29 available in the holder's records does not conflict with the data contained in the DMF; if
18.30 the holder provided a first and last name match, either exactly or in accordance with the
18.31 fuzzy match criteria herein and the Social Security number matches exactly against the
18.32 DMF, the date of birth is a fuzzy match if the holder provided a date of birth that is within
18.33 two years of the DMF-listed date of birth;

19.1 (iv) a Social Security number fuzzy match includes one of the following: two Social
19.2 Security numbers with a maximum of two digits in difference, any number position; two
19.3 consecutive numbers are transposed; and the Social Security number is less than nine digits
19.4 in length, but at least seven digits, and is entirely embedded within the other Social Security
19.5 number;

19.6 (3) the DMF match does not constitute proof of death for the purpose of submission to
19.7 an insurance company of a claim by a beneficiary, annuitant, or owner of the policy or
19.8 contract for an amount due under an insurance policy or annuity contract;

19.9 (4) the DMF match or validation of the insured's or annuitant's death does not alter the
19.10 requirements for a beneficiary, annuitant, or owner of the policy or contract to make a claim
19.11 to receive proceeds under the terms of the policy or contract;

19.12 (5) an insured or an annuitant is presumed dead if the date of the person's death is
19.13 indicated by the DMF match under either subsection (b)(3) or (4), unless the insurer has
19.14 competent and substantial evidence that the person is living, including but not limited to a
19.15 contact made by the insurer with the person or the person's legal representation.

19.16 (e) This chapter does not affect the determination of the extent to which an insurance
19.17 company before the effective date of this chapter had knowledge of the death of an insured
19.18 or annuitant or was required to conduct a DMF comparison to determine whether amounts
19.19 owed by the company on a life or endowment insurance policy or annuity contract were
19.20 presumed abandoned or unclaimed.

19.21 **Sec. 11. [345A.211] DEPOSIT ACCOUNT FOR PROCEEDS OF INSURANCE**
19.22 **POLICY OR ANNUITY CONTRACT.**

19.23 If proceeds payable under a life or endowment insurance policy or annuity contract are
19.24 deposited into an account with check or draft-writing privileges for the beneficiary of the
19.25 policy or contract and, under a supplementary contract not involving annuity benefits other
19.26 than death benefits, the proceeds are retained by the insurance company or the financial
19.27 organization where the account is held, the policy or contract includes the assets in the
19.28 account.

20.1 **ARTICLE 3**
20.2 **UNCLAIMED PROPERTY; RULES FOR TAKING CUSTODY OF PROPERTY**
20.3 **PRESUMED ABANDONED**

20.4 Section 1. **[345A.301] ADDRESS OF APPARENT OWNER TO ESTABLISH**
20.5 **PRIORITY.**

20.6 In sections 345A.301 to 345A.307, the following rules apply:

20.7 (1) The last known address of an apparent owner is any description, code, or other
20.8 indication of the location of the apparent owner which identifies the state, even if the
20.9 description, code, or indication of location is not sufficient to direct the delivery of first-class
20.10 United States mail to the apparent owner.

20.11 (2) If the United States postal zip code associated with the apparent owner is for a post
20.12 office located in this state, this state is deemed to be the state of the last known address of
20.13 the apparent owner unless other records associated with the apparent owner specifically
20.14 identify the physical address of the apparent owner to be in another state.

20.15 (3) If the address under paragraph (2) is in another state, the other state is deemed to be
20.16 the state of the last known address of the apparent owner.

20.17 (4) The address of the apparent owner of a life or endowment insurance policy or annuity
20.18 contract or its proceeds is presumed to be the address of the insured or annuitant if a person
20.19 other than the insured or annuitant is entitled to the amount owed under the policy or contract
20.20 and the address of the other person is not known by the insurance company and cannot be
20.21 determined under section 345A.302.

20.22 Sec. 2. **[345A.302] ADDRESS OF APPARENT OWNER IN THIS STATE.**

20.23 The administrator may take custody of property that is presumed abandoned, whether
20.24 located in this state, another state, or a foreign country, if:

20.25 (1) the last known address of the apparent owner in the records of the holder is in this
20.26 state; or

20.27 (2) the records of the holder do not reflect the identity or last known address of the
20.28 apparent owner, but the administrator has determined that the last known address of the
20.29 apparent owner is in this state.

21.1 Sec. 3. **[345A.303] IF RECORDS SHOW MULTIPLE ADDRESSES OF APPARENT**
21.2 **OWNER.**

21.3 (a) Except as provided in subsection (b), if records of a holder reflect multiple addresses
21.4 for an apparent owner and this state is the state of the last known address, this state may
21.5 take custody of property presumed abandoned, whether located in this state or another state.

21.6 (b) If it appears from records of the holder that the last known address of the apparent
21.7 owner under subsection (a) is a temporary address and this state is the state of the next most
21.8 recently recorded address that is not a temporary address, this state may take custody of the
21.9 property presumed abandoned.

21.10 Sec. 4. **[345A.304] HOLDER DOMICILED IN THIS STATE.**

21.11 (a) Except as provided in subsection (b) or section 345A.302 or 345A.303, the
21.12 administrator may take custody of property presumed abandoned, whether located in this
21.13 state, another state, or a foreign country, if the holder is domiciled in this state, another state,
21.14 or a governmental subdivision, agency, or instrumentality of this state and:

21.15 (1) another state or foreign country is not entitled to the property because there is no last
21.16 known address of the apparent owner or other person entitled to the property in the records
21.17 of the holder; or

21.18 (2) the state or foreign country of the last known address of the apparent owner or other
21.19 person entitled to the property does not provide for custodial taking of the property.

21.20 (b) Property is not subject to custody of the administrator under subsection (a) if the
21.21 property is specifically exempt from custodial taking under the law of this state, another
21.22 state, or foreign country of the last known address of the apparent owner.

21.23 (c) If a holder's state of domicile has changed since the time the property was presumed
21.24 abandoned, the holder's state of domicile in this section is deemed to be the state where the
21.25 holder was domiciled at the time the property was presumed abandoned.

21.26 Sec. 5. **[345A.305] CUSTODY IF TRANSACTION TOOK PLACE IN THIS STATE.**

21.27 Except as provided in sections 345A.302 to 345A.304, the administrator may take custody
21.28 of property presumed abandoned whether located in this state or another state if:

21.29 (1) the transaction out of which the property arose took place in this state;

21.30 (2) the holder is domiciled in a state that does not provide for the custodial taking of the
21.31 property, except that if the property is specifically exempt from custodial taking under the

22.1 law of the state of the holder's domicile, the property is not subject to the custody of the
 22.2 administrator; and

22.3 (3) the last known address of the apparent owner or other person entitled to the property
 22.4 is unknown or in a state that does not provide for the custodial taking of the property, except
 22.5 that if the property is specifically exempt from custodial taking under the law of the state
 22.6 of the last known address, the property is not subject to the custody of the administrator.

22.7 **Sec. 6. [345A.306] TRAVELER'S CHECK, MONEY ORDER, OR SIMILAR**
 22.8 **INSTRUMENT.**

22.9 The administrator may take custody of sums payable on a traveler's check, money order,
 22.10 or similar instrument presumed abandoned to the extent permissible under United States
 22.11 Code, title 12, sections 2501 through 2503, as amended.

22.12 **Sec. 7. [345A.307] BURDEN OF PROOF TO ESTABLISH ADMINISTRATOR'S**
 22.13 **RIGHT TO CUSTODY.**

22.14 Subject to this chapter, if the administrator asserts a right to custody of unclaimed
 22.15 property and there is a dispute concerning such property, the administrator has the initial
 22.16 burden to prove:

22.17 (1) the amount of the property;

22.18 (2) the property is presumed abandoned; and

22.19 (3) the property is subject to the custody of the administrator.

22.20 **ARTICLE 4**

22.21 **UNCLAIMED PROPERTY; REPORT BY HOLDER**

22.22 **Section 1. [345A.401] REPORT REQUIRED BY HOLDER.**

22.23 (a) A holder of property presumed abandoned and subject to the custody of the
 22.24 administrator shall report in a record to the administrator concerning the property. A holder
 22.25 shall submit an electronic report in a format prescribed by, and acceptable to, the
 22.26 administrator.

22.27 (b) A holder may contract with a third party to make the report required under subsection
 22.28 (a).

22.29 (c) Whether or not a holder contracts with a third party under subsection (b), the holder
 22.30 is responsible:

23.1 (1) to the administrator for the complete, accurate, and timely reporting of property
23.2 presumed abandoned; and

23.3 (2) for paying or delivering to the administrator property described in the report.

23.4 **Sec. 2. [345A.402] CONTENT OF REPORT.**

23.5 (a) The report required under section 345A.401 must:

23.6 (1) be signed by or on behalf of the holder and verified as to its completeness and
23.7 accuracy;

23.8 (2) be filed electronically, unless exception is granted, and be in a secure format approved
23.9 by the administrator which protects confidential information of the apparent owner;

23.10 (3) describe the property;

23.11 (4) except for a traveler's check, money order, or similar instrument, contain the name,
23.12 if known, last known address, if known, and Social Security number or taxpayer identification
23.13 number, if known or readily ascertainable, of the apparent owner of property with a value
23.14 of \$50 or more;

23.15 (5) for an amount held or owing under a life or endowment insurance policy or annuity
23.16 contract, contain the name and last known address of the insured, annuitant, or other apparent
23.17 owner of the policy or contract and of the beneficiary;

23.18 (6) for property held in or removed from a safe deposit box, indicate the location of the
23.19 property, and where it may be inspected by the administrator;

23.20 (7) contain the commencement date for determining abandonment under sections
23.21 345A.201 to 345A.211;

23.22 (8) state that the holder has complied with the notice requirements of section 345A.501;

23.23 (9) identify property that is a nonfreely transferable security and explain why it is a
23.24 nonfreely transferable security; and

23.25 (10) contain other information prescribed by the administrator.

23.26 (b) A report under section 345A.401 may include in the aggregate items valued under
23.27 \$50 each. If the report includes items in the aggregate valued under \$50 each, the
23.28 administrator may not require the holder to provide the name and address of an apparent
23.29 owner of an item unless the information is necessary to verify or process a claim in progress
23.30 by the apparent owner.

24.1 (c) A report under section 345A.401 may include personal information as defined in
24.2 section 345A.401(a) about the apparent owner or the apparent owner's property.

24.3 (d) If a holder has changed its name while holding property presumed abandoned or is
24.4 a successor to another person that previously held the property for the apparent owner, the
24.5 holder must include in the report under section 345A.401 its former name or the name of
24.6 the previous holder, if any, and the known name and address of each previous holder of the
24.7 property.

24.8 **Sec. 3. [345A.403] WHEN REPORT TO BE FILED.**

24.9 (a) Except as otherwise provided in subsection (b) and subject to subsection (c), the
24.10 report under section 345A.401 must be filed before November 1 of each year and cover the
24.11 12 months preceding July 1 of that year.

24.12 (b) Subject to subsection (c), the report under section 345A.401 to be filed by an insurance
24.13 company must be filed before May 1 of each year for the immediately preceding calendar
24.14 year.

24.15 (c) Before the date for filing the report under section 345A.401, the holder of property
24.16 presumed abandoned may request the administrator to extend the time for filing. The
24.17 administrator may grant an extension. If the extension is granted, the holder may pay or
24.18 make a partial payment of the amount the holder estimates ultimately will be due. The
24.19 payment or partial payment terminates accrual of interest on the amount paid.

24.20 **Sec. 4. [345A.404] RETENTION OF RECORDS BY HOLDER.**

24.21 A holder required to file a report under section 345A.401 shall retain records for ten
24.22 years after the later of the date the report was filed or the last date a timely report was due
24.23 to be filed, unless a shorter period is provided by rule of the administrator. The holder may
24.24 satisfy the requirement to retain records under this section through an agent. The records
24.25 must contain:

24.26 (1) the information required to be included in the report;

24.27 (2) the date, place, and nature of the circumstances that gave rise to the property right;

24.28 (3) the amount or value of the property;

24.29 (4) the last known address of the apparent owner, if known to the holder; and

24.30 (5) if the holder sells, issues, or provides to others for sale or issue in this state traveler's
24.31 checks, money orders, or similar instruments, other than third-party bank checks, on which

25.1 the holder is directly liable, a record of the instruments while they remain outstanding,
25.2 indicating the state and date of issue.

25.3 **Sec. 5. [345A.405] PROPERTY REPORTABLE AND PAYABLE OR**
25.4 **DELIVERABLE ABSENT OWNER DEMAND.**

25.5 Property is reportable and payable or deliverable under this chapter even if the owner
25.6 fails to make demand or present an instrument or document otherwise required to obtain
25.7 payment.

25.8 **ARTICLE 5**

25.9 **UNCLAIMED PROPERTY; NOTICE TO APPARENT OWNER OF PROPERTY**
25.10 **PRESUMED ABANDONED**

25.11 **Section 1. [345A.501] NOTICE TO APPARENT OWNER BY HOLDER.**

25.12 (a) Subject to subsection (b), the holder of property presumed abandoned shall send to
25.13 the apparent owner notice by first-class United States mail that complies with section
25.14 345A.502 in a format acceptable to the administrator not more than 180 days nor less than
25.15 60 days before filing the report under section 345A.401 if:

25.16 (1) the holder has in its records an address for the apparent owner which the holder's
25.17 records do not disclose to be invalid and is sufficient to direct the delivery of first-class
25.18 United States mail to the apparent owner; and

25.19 (2) the value of the property is \$50 or more.

25.20 (b) If an apparent owner has consented to receive e-mail delivery from the holder, the
25.21 holder shall send the notice described in subsection (a) both by first-class United States
25.22 mail to the apparent owner's last known mailing address and by e-mail, unless the holder
25.23 believes that the apparent owner's e-mail address is invalid.

25.24 (c) The holder of securities presumed abandoned under sections 345A.202, 345A.203,
25.25 or 345A.208 shall send the apparent owner notice by certified United States mail that
25.26 complies with section 345A.502, and in a format acceptable to the administrator, not less
25.27 than 60 days before filing the report under section 345A.401, if:

25.28 (1) the holder has in its records an address for the apparent owner which the holder's
25.29 records do not disclose to be invalid and is sufficient to direct the delivery of United States
25.30 mail to the apparent owner; and

25.31 (2) the value of the property is \$1,000 or more.

26.1 (d) In addition to other indications of an apparent owner's interest in property pursuant
26.2 to section 345A.210, a signed return receipt in response to a notice sent pursuant to this
26.3 section by certified United States mail shall constitute a record communicated by the apparent
26.4 owner to the holder concerning the property or the account in which the property is held.

26.5 **Sec. 2. [345A.502] CONTENTS OF NOTICE BY HOLDER.**

26.6 (a) Notice under section 345A.501 must contain a heading that reads substantially as
26.7 follows: "Notice. The State of Minnesota requires us to notify you that your property may
26.8 be transferred to the custody of the commissioner of commerce if you do not contact us
26.9 before (insert date that is 30 days after the date of this notice)."

26.10 (b) The notice under section 345A.501 must:

26.11 (1) identify the nature and, except for property that does not have a fixed value, the value
26.12 of the property that is the subject of the notice;

26.13 (2) state that the property will be turned over to the administrator;

26.14 (3) state that after the property is turned over to the administrator an apparent owner
26.15 that seeks return of the property must file a claim with the administrator;

26.16 (4) state that property that is not legal tender of the United States may be sold by the
26.17 administrator; and

26.18 (5) provide instructions that the apparent owner must follow to prevent the holder from
26.19 reporting and paying or delivering the property to the administrator.

26.20 **Sec. 3. [345A.503] NOTICE BY ADMINISTRATOR.**

26.21 (a) The administrator shall give notice to an apparent owner that property presumed
26.22 abandoned and that appears to be owned by the apparent owner is held by the administrator
26.23 under this chapter.

26.24 (b) In providing notice under subsection (a), the administrator shall:

26.25 (1) publish every 12 months in at least one newspaper of general circulation in each
26.26 county in this state notice of property held by the administrator which must include:

26.27 (A) the total value of property received by the administrator during the preceding
26.28 12-month period, taken from the reports under section 345A.401;

26.29 (B) the total value of claims paid by the administrator during the preceding 12-month
26.30 period;

27.1 (C) the Internet address of the unclaimed property website maintained by the
27.2 administrator;

27.3 (D) a telephone number and e-mail address to contact the administrator to inquire about
27.4 or claim property; and

27.5 (E) a statement that a person may access the Internet by a computer to search for
27.6 unclaimed property and a computer may be available as a service to the public at a local
27.7 public library; and

27.8 (2) maintain a website or database accessible by the public and electronically searchable
27.9 which contains the names reported to the administrator of all apparent owners for whom
27.10 property is being held by the administrator. The administrator need not list property on such
27.11 website when:

27.12 (A) no owner name was reported;

27.13 (B) a claim has been initiated or is pending for the property;

27.14 (C) the administrator has made direct contact with the apparent owner of the property;
27.15 and

27.16 (D) other instances exist where the administrator reasonably believes exclusion of the
27.17 property is in the best interests of both the state and the owner of the property.

27.18 (c) The website or database maintained under subsection (b)(2) must include instructions
27.19 for filing with the administrator a claim to property and a printable claim form with
27.20 instructions for its use.

27.21 (d) In addition to giving notice under subsection (b), publishing the information under
27.22 subsection (b)(1), and maintaining the website or database under subsection (b)(2), the
27.23 administrator may use other printed publication, telecommunication, the Internet, or other
27.24 media to inform the public of the existence of unclaimed property held by the administrator.

27.25 **ARTICLE 6**

27.26 **UNCLAIMED PROPERTY; TAKING CUSTODY OF PROPERTY BY**
27.27 **ADMINISTRATOR**

27.28 Section 1. **[345A.601] DORMANCY CHARGE.**

27.29 (a) A holder may deduct a dormancy charge from property required to be paid or delivered
27.30 to the administrator if:

28.1 (1) a valid contract between the holder and the apparent owner authorizes imposition of
28.2 the charge for the apparent owner's failure to claim the property within a specified time;
28.3 and

28.4 (2) the holder regularly imposes the charge and regularly does not reverse or otherwise
28.5 cancel the charge.

28.6 (b) The amount of the deduction under subsection (a) is limited to an amount that is not
28.7 unconscionable considering all relevant factors, including the marginal transactional costs
28.8 incurred by the holder in maintaining the apparent owner's property and any services received
28.9 by the apparent owner.

28.10 (c) A holder may not deduct an escheat fee or impose other charges solely by virtue of
28.11 property being reported as presumed abandoned.

28.12 **Sec. 2. [345A.602] PAYMENT OR DELIVERY OF PROPERTY TO**
28.13 **ADMINISTRATOR.**

28.14 (a) Except as otherwise provided in this section, on filing a report under section 345A.401,
28.15 the holder shall pay or deliver to the administrator the property described in the report.

28.16 (b) If property in a report under section 345A.401 is an automatically renewable deposit
28.17 and a penalty or forfeiture in the payment of interest would result from paying the deposit
28.18 to the administrator at the time of the report, the date for payment of the property to the
28.19 administrator is extended until a penalty or forfeiture no longer would result from payment,
28.20 if the holder informs the administrator of the extended date.

28.21 (c) Tangible property in a safe deposit box may not be delivered to the administrator
28.22 until 60 days after filing the report under section 345A.401.

28.23 (d) If property reported to the administrator under section 345A.401 is a security, the
28.24 administrator may:

28.25 (1) make an endorsement, instruction, or entitlement order on behalf of the apparent
28.26 owner to invoke the duty of the issuer, its transfer agent, or the securities intermediary to
28.27 transfer the security; or

28.28 (2) dispose of the security under section 345A.702.

28.29 (e) If the holder of property reported to the administrator under section 345A.401 is the
28.30 issuer of a certificated security, the administrator may obtain a replacement certificate in
28.31 physical or book-entry form under section 336.8-405. An indemnity bond is not required.

29.1 (f) The administrator shall establish procedures for the registration, issuance, method
29.2 of delivery, transfer, and maintenance of securities delivered to the administrator by a holder.

29.3 (g) An issuer, holder, and transfer agent or other person acting under this section under
29.4 instructions of and on behalf of the issuer or holder is not liable to the apparent owner for,
29.5 and must be indemnified by the state against, a claim arising with respect to property after
29.6 the property has been delivered to the administrator.

29.7 (h) A holder is not required to deliver to the administrator a security identified by the
29.8 holder as a nonfreely transferable security. If the administrator or holder determines that a
29.9 security is no longer a nonfreely transferable security, the holder shall deliver the security
29.10 on the next regular date prescribed for delivery of securities under this chapter. The holder
29.11 shall make a determination annually whether a security identified in a report filed under
29.12 section 345A.401 as a nonfreely transferable security is no longer a nonfreely transferable
29.13 security.

29.14 **Sec. 3. [345A.603] EFFECT OF PAYMENT OR DELIVERY OF PROPERTY TO**
29.15 **ADMINISTRATOR.**

29.16 On payment or delivery of property to the administrator under this chapter, the
29.17 administrator, as agent for the state, assumes custody and responsibility for safekeeping the
29.18 property. A holder that pays or delivers property to the administrator in good faith and
29.19 substantially complies with sections 345A.501 and 345A.502 is relieved of liability which
29.20 may arise thereafter with respect to the property so paid or delivered.

29.21 **Sec. 4. [345A.604] RECOVERY OF PROPERTY BY HOLDERS FROM**
29.22 **ADMINISTRATOR.**

29.23 (a) A holder that under this chapter pays money to the administrator may file a claim
29.24 for reimbursement from the administrator of the amount paid if the holder:

29.25 (1) paid the money in error; or

29.26 (2) after paying the money to the administrator, paid money to a person the holder
29.27 reasonably believed entitled to the money.

29.28 (b) If a claim for return of property is made, the holder shall include with the claim
29.29 evidence sufficient to establish that the apparent owner has claimed the property from the
29.30 holder or that the property was delivered by the holder to the administrator in error.

30.1 Sec. 5. **[345A.605] CREDITING INCOME OR GAIN TO OWNER'S ACCOUNT.**

30.2 If property other than money is delivered to the administrator, the owner is entitled to
30.3 receive from the administrator income or gain realized or accrued on the property before
30.4 the property is sold. If the property was interest-bearing, the administrator shall pay interest
30.5 at the lesser of the rate of the weekly average one-year constant maturity treasury yield, as
30.6 published by the Board of Governors of the Federal Reserve System, for the calendar week
30.7 preceding the beginning of the fiscal quarter in which the property was sold or the rate the
30.8 property earned while in the possession of the holder. Interest begins to accrue when the
30.9 property is delivered to the administrator and ends on the earlier of the expiration of ten
30.10 years after its delivery or the date on which payment is made to the owner.

30.11 Sec. 6. **[345A.606] ADMINISTRATOR'S OPTIONS AS TO CUSTODY.**

30.12 (a) The administrator may decline to take custody of property reported under section
30.13 345A.401 if the administrator determines that:

30.14 (1) the property has a value less than the estimated expenses of notice and sale of the
30.15 property; or

30.16 (2) taking custody of the property would be unlawful.

30.17 (b) A holder may pay or deliver property to the administrator before the property is
30.18 presumed abandoned under this chapter if the holder:

30.19 (1) sends the apparent owner of the property notice required by section 345A.501 and
30.20 provides the administrator evidence of the holder's compliance with this paragraph;

30.21 (2) includes with the payment or delivery a report regarding the property conforming to
30.22 section 345A.402; and

30.23 (3) first obtains the administrator's written consent to accept payment or delivery.

30.24 (c) A holder's request for the administrator's consent under subsection (b)(3) must be in
30.25 a record. If the administrator fails to respond to the request not later than 30 days after
30.26 receipt of the request, the administrator is deemed to consent to the payment or delivery of
30.27 the property and the payment or delivery is considered to have been made in good faith.

30.28 (d) On payment or delivery of property under subsection (b), the property is presumed
30.29 abandoned.

31.1 Sec. 7. **[345A.607] DISPOSITION OF PROPERTY HAVING NO SUBSTANTIAL**
31.2 **VALUE; IMMUNITY FROM LIABILITY.**

31.3 (a) If the administrator takes custody of property delivered under this chapter and later
31.4 determines that the property has no substantial commercial value or that the cost of disposing
31.5 of the property will exceed the value of the property, the administrator may return the
31.6 property to the holder or destroy or otherwise dispose of the property.

31.7 (b) An action or proceeding may not be commenced against the state, an agency of the
31.8 state, the administrator, another officer, employee, or agent of the state, or a holder for or
31.9 because of an act of the administrator under this section, except for intentional misconduct
31.10 or malfeasance.

31.11 Sec. 8. **[345A.608] PERIODS OF LIMITATION AND REPOSE.**

31.12 (a) Expiration, before, on, or after the effective date of this chapter, of a period of
31.13 limitation on an owner's right to receive or recover property, whether specified by contract,
31.14 statute, or court order, does not prevent the property from being presumed abandoned or
31.15 affect the duty of a holder under this chapter to file a report or pay or deliver property to
31.16 the administrator.

31.17 (b) An action or proceeding may not be maintained by the administrator to enforce this
31.18 act's reporting, delivery, or payment requirements more than ten years after the holder
31.19 specifically identified the property in a report filed with the administrator, or gave express
31.20 notice to the administrator of a dispute regarding the property. In the absence of such a
31.21 report or other express notice, the period of limitation is tolled. The period of limitation is
31.22 also tolled by filing a fraudulent report.

31.23 **ARTICLE 7**

31.24 **UNCLAIMED PROPERTY; SALE OF PROPERTY BY ADMINISTRATOR**

31.25 Section 1. **[345A.701] PUBLIC SALE OF PROPERTY.**

31.26 (a) Subject to section 345A.702, not earlier than three years after receipt of property
31.27 presumed abandoned, the administrator may sell the property.

31.28 (b) Before selling property under subsection (a), the administrator shall give notice to
31.29 the public of:

31.30 (1) the date of the sale; and

31.31 (2) a reasonable description of the property.

32.1 (c) A sale under subsection (a) must be to the highest bidder:

32.2 (1) at public sale at a location in this state which the administrator determines to be the
32.3 most favorable market for the property;

32.4 (2) on the Internet; or

32.5 (3) on another forum the administrator determines is likely to yield the highest net
32.6 proceeds of sale.

32.7 (d) The administrator may decline the highest bid at a sale under this section and reoffer
32.8 the property for sale if the administrator determines the highest bid is insufficient.

32.9 (e) If a sale held under this section is to be conducted other than on the Internet, the
32.10 administrator must publish at least one notice of the sale, at least two weeks but not more
32.11 than five weeks before the sale, in a newspaper of general circulation in the county in which
32.12 the property is sold. For purposes of this subsection, the reasonable description of property
32.13 to be sold required by subsection (b) may be satisfied by posting such information on the
32.14 administrator's website so long as the newspaper notice includes the website address where
32.15 such information is posted.

32.16 **Sec. 2. [345A.702] DISPOSAL OF SECURITIES.**

32.17 (a) The administrator may not sell or otherwise liquidate a security until one year after
32.18 the administrator receives the security, unless requested to do so by the owner of the security
32.19 in making a claim for the property.

32.20 (b) The administrator may not sell a security listed on an established stock exchange for
32.21 less than the price prevailing on the exchange at the time of sale. The administrator may
32.22 sell a security not listed on an established exchange by any commercially reasonable method.

32.23 **Sec. 3. [345A.704] PURCHASER OWNS PROPERTY AFTER SALE.**

32.24 A purchaser of property at a sale conducted by the administrator under this chapter takes
32.25 the property free of all claims of the owner, a previous holder, or a person claiming through
32.26 the owner or holder. The administrator shall execute documents necessary to complete the
32.27 transfer of ownership to the purchaser.

ARTICLE 8**UNCLAIMED PROPERTY; ADMINISTRATION OF PROPERTY****Section 1. [345A.801] DEPOSIT OF FUNDS BY ADMINISTRATOR.**

(a) The administrator shall deposit in the general fund all funds received under this chapter, including proceeds from the sale of property under sections 345A.701 to 345A.704, except:

(1) expenses of disposition of property delivered to the administrator under this chapter;

(2) expenses incurred in examining records of or collecting property from a putative holder or holder; and

(3) as otherwise provided in this chapter.

Sec. 2. [345A.802] ADMINISTRATOR TO RETAIN RECORDS OF PROPERTY.

The administrator shall:

(1) record and retain the name and last known address of each person shown on a report filed under section 345A.401 to be the apparent owner of property delivered to the administrator;

(2) record and retain the name and last known address of each insured or annuitant and beneficiary shown on the report;

(3) for each policy of insurance or annuity contract listed in the report of an insurance company, record and retain the policy or account number, the name of the company, and the amount due or paid; and

(4) for each apparent owner listed in the report, record and retain the name of the holder that filed the report and the amount due or paid.

ARTICLE 9**UNCLAIMED PROPERTY; CONFIDENTIALITY AND SECURITY OF INFORMATION****Section 1. [345A.901] DATA PRACTICES.**

(a) All working papers, recorded information, documents, and copies thereof produced by, obtained by, or disclosed to the administrator or the administrator's agent in the course of an examination made under this chapter are classified private or nonpublic for purposes of the Minnesota Government Data Practices Act, Minnesota Statutes, chapter 13, are not subject to subpoena, and may only be disclosed to:

34.1 (1) the extent required or permitted by law to report upon or take special action regarding
34.2 compliance and delivery of unclaimed property, or ordered by a court of law to testify or
34.3 produce evidence in a civil or criminal proceeding;

34.4 (2) another department or agency of this state or the United States;

34.5 (3) the person that administers the unclaimed property law of another state, if the other
34.6 state accords substantially reciprocal privileges to the administrator of this state and maintains
34.7 the confidentiality and security of information obtained in a substantially equivalent manner;

34.8 (4) a person subject to an examination as required by this chapter; and

34.9 (5) the auditor or administrator of a joint examination conducted with another state, the
34.10 United States, a foreign country or subordinate unit of a foreign country, or any other
34.11 governmental entity if the governmental entity conducting the examination maintains the
34.12 confidentiality and security of information in a substantially equivalent manner.

34.13 (b) All personal information derived or otherwise obtained by or communicated to the
34.14 administrator or the administrator's agent from a person making a claim for personal property
34.15 are classified private or nonpublic for purposes of the Minnesota Government Data Practices
34.16 Act, Minnesota Statutes, chapter 13, and may not be made public by the administrator or
34.17 the administrator's agent, except to:

34.18 (1) the subject, or the subject's personal representative, attorney, other legal representative,
34.19 heir, or agent designated to have the information;

34.20 (2) the personal representative of an estate, other legal representative, agent designated
34.21 by a deceased apparent owner, or a person entitled to inherit from a deceased apparent
34.22 owner;

34.23 (3) another department or agency of this state or the United States; and

34.24 (4) the extent required or permitted by law or ordered by a court of law to testify or
34.25 produce evidence in a civil or criminal proceeding.

34.26 (c) Except as otherwise provided by law, the administrator shall include on its website
34.27 or in the database required by section 345A.503(b)(2) the name of each apparent owner of
34.28 property held by the administrator. The administrator may include in published notices,
34.29 printed publications, telecommunications, the Internet, or other media and on the website
34.30 or in the database additional information concerning the apparent owner's property if the
34.31 administrator believes the information will assist in identifying and returning property to
34.32 the owner and does not disclose personal information except the home or physical address
34.33 of an apparent owner.

35.1 **ARTICLE 10**
35.2 **UNCLAIMED PROPERTY; HEARINGS, PROCEDURE, AND JUDICIAL REVIEW**

35.3 Section 1. Minnesota Statutes 2018, section 345.515, is amended to read:

35.4 **345.515 AGREEMENTS TO LOCATE REPORTED PROPERTY.**

35.5 It is unlawful for a person to seek or receive from another person or contract with a
35.6 person for a fee or compensation for locating property, ~~knowing it to have been reported or~~
35.7 ~~paid or delivered to the commissioner pursuant to chapter 345~~ prior to 24 months after the
35.8 date the property is paid or delivered to the ~~commissioner~~ administrator.

35.9 ~~No~~ An agreement entered into after 24 months after the date the property is paid or
35.10 ~~delivered to the commissioner~~ is valid only if a person thereby undertakes to locate property
35.11 ~~included in a report for a fee or other compensation exceeding ten percent of the value of~~
35.12 ~~the recoverable property unless the agreement is in writing and, is signed by the owner and,~~
35.13 ~~discloses the nature and value of the property and the name and address of the holder thereof~~
35.14 ~~as such facts have been reported, and provides for compensation in an amount that is no~~
35.15 ~~more than 15 percent of the amount collected.~~ Nothing in this section shall be construed to
35.16 prevent an owner from asserting at any time that an agreement to locate property is based
35.17 upon an excessive or unjust consideration.

35.18 Sec. 2. Minnesota Statutes 2018, section 345.53, subdivision 1, is amended to read:

35.19 Subdivision 1. ~~Commissioner's~~ Administrator's duties. (a) ~~The commissioner~~
35.20 ~~administrator or the administrator's agent~~ may at reasonable times and upon reasonable
35.21 notice examine the records of any person, including examination of appropriate records in
35.22 the possession of an agent of the person under examination, if there is reason to believe that
35.23 ~~the person has failed to report property that should have been reported pursuant to sections~~
35.24 ~~345.31 to 345.60.~~ the records are reasonably necessary to determine whether the person has
35.25 complied with this chapter. The administrator may issue an administrative subpoena requiring
35.26 the person or agent of the person to make records available for examination, and bring an
35.27 action seeking judicial enforcement of the subpoena, as well as impose penalties under
35.28 section 345.55.

35.29 (b) The administrator may contract with a person to conduct an examination under this
35.30 chapter. The contract shall be awarded pursuant to a request for proposals issued in
35.31 compliance with the state procurement rules.

35.32 (1) If the administrator contracts with a person under this subsection, the contract may
35.33 provide for compensation of the person based on a fixed fee, hourly fee, or contingent fee.

36.1 (2) A contract under subsection (b) is public data.

36.2 (c) If the administrator conducts an examination under subsection (a), each person under
36.3 examination shall pay an examination fee upon the request of the administrator and to be
36.4 based on the salary cost of examiners or assistants, and at such an average rate per day or
36.5 fraction thereof so as to provide for the total cost of such examinations. In no case may the
36.6 charges exceed the value of the property found to be reportable and deliverable.

36.7 (d) All data gathered in the course of an examination or audit of a holder or purported
36.8 holder under this chapter is classified as private or nonpublic information under the Minnesota
36.9 Government Data Practices Act, Minnesota Statutes, chapter 13, except as set forth in section
36.10 (b)(2) and except that such data may be disclosed as follows:

36.11 (1) to the extent required or permitted by law to report upon or take special action
36.12 regarding compliance and delivery of unclaimed property, or ordered by a court of law;

36.13 (2) to another department or agency of this state or the United States;

36.14 (3) to the person that administers the unclaimed property law of another state, if the
36.15 other state accords substantially reciprocal privileges to the administrator of this state, and
36.16 maintains the confidentiality and security of information by law or by agreement in a
36.17 substantially equivalent manner;

36.18 (4) to a person subject to an examination as required by this chapter; and

36.19 (5) to the auditor or administrator of a joint examination conducted with another state,
36.20 the United States, a foreign country or subordinate unit of a foreign country, or any other
36.21 governmental entity if the governmental entity conducting the examination maintains the
36.22 confidentiality and security of information by law or by agreement in a substantially
36.23 equivalent manner.

36.24 Sec. 3. Minnesota Statutes 2018, section 345.53, is amended by adding a subdivision to
36.25 read:

36.26 Subd. 3. **Failure of person examined to retain records.** If a person subject to
36.27 examination under this chapter does not retain the records required by section 345A.404,
36.28 the administrator may determine the value of property due using a reasonable method of
36.29 estimation based on all information available to the administrator, including extrapolation
36.30 and use of statistical sampling when appropriate and necessary. A payment made based on
36.31 estimation under this section is a penalty for failure to maintain the records required by
36.32 section 345A.404, and does not relieve a person from an obligation to report and deliver
36.33 property to a state in which the holder is domiciled.

37.1 Sec. 4. **[345A.950] HEARINGS, PROCEDURE, JUDICIAL REVIEW.**

37.2 (a) Any person aggrieved by a decision of the administrator under this chapter as it
37.3 relates to holder examinations may, within 21 days after that decision, make a written request
37.4 to the administrator for a hearing pursuant to this article to determine whether the decision
37.5 complies with the requirements of this chapter.

37.6 (b) Any person aggrieved by a decision of the administrator under this chapter as it
37.7 relates to claims of ownership of unclaimed property may, within 21 days after that decision
37.8 or within 180 days from the filing of the claim if the administrator fails to act on a claim,
37.9 make a written request to the administrator for a hearing pursuant to this article to determine
37.10 whether the decision complies with the requirements of this chapter.

37.11 (c) At the administrator's discretion, a hearing may be based upon written submissions,
37.12 and nothing contained in this section requires the observance of formal rules of pleading or
37.13 evidence.

37.14 (d) The administrator shall commence a hearing within 45 days after receipt of the
37.15 request and shall give not less than 15 days' written notice of the hearing. Within 30 days
37.16 after the hearing, the administrator shall affirm, reverse, or modify the previous action and
37.17 specify the reasons for that decision in writing.

37.18 (e) An order or decision of the administrator is a final decision subject to appeal in
37.19 accordance with chapter 14.

37.20 Sec. 5. **REPEALER.**

37.21 Minnesota Statutes 2018, section 345.53, subdivision 2, is repealed.

37.22 **ARTICLE 11**

37.23 **APPROPRIATION**

37.24 Sec. 1. **UNCLAIMED PROPERTY COMPLIANCE.**

37.25 \$384,000 in fiscal year 2020 and \$384,000 in fiscal year 2021 are appropriated from the
37.26 general fund to the commissioner of commerce for additional compliance efforts with respect
37.27 to unclaimed property. The commissioner may issue contracts for these services.

APPENDIX
Repealed Minnesota Statutes: H2538-1

345.53 EXAMINATION OF RECORDS.

Subd. 2. **Examination charges.** If an examination of the records of a person results in the disclosure of property reportable and deliverable under sections 345.31 to 345.60, the commissioner may assess the cost of the examination against the holder at the rate of \$15 per hour per examiner, but in no case may the charges exceed the value of the property found to be reportable and deliverable.