

SENATE BILL NO. 519—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE STATE TREASURER)

MARCH 26, 2007

Referred to Committee on Judiciary

SUMMARY—Makes various changes relating to abandoned property. (BDR 10-496)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to abandoned property; making various changes to provisions governing the annual reporting of property presumed abandoned; renaming the Abandoned Property Trust Fund as the Abandoned Property Trust Account and creating the Account in the State General Fund; revising provisions governing transfers from the Account; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Under existing law, the State Treasurer acts as the Administrator of Unclaimed
2 Property in this State. (NRS 120A.025) Abandoned property, such as unclaimed
3 money in bank accounts or held by insurance companies, must be turned over to the
4 Administrator. (NRS 120A.320) The revenues received by the Administrator from
5 unclaimed property must be deposited in the Abandoned Property Trust Fund, and
6 at the end of each fiscal year, distributions are made from the Abandoned Property
7 Trust Fund to the Millennium Scholarship Trust Fund and the State General Fund.
8 (NRS 120A.370) **Section 2** of this bill renames the Abandoned Property Trust Fund
9 as the Abandoned Property Trust Account, places the Account in the State General
10 Fund and requires that the first \$7,600,000 remaining in the Account at the end of
11 each fiscal year must be transferred to the Millennium Scholarship Trust Fund.

12 Under existing law, a person holding money or other property that is presumed
13 abandoned is required to file a verified report with the Administrator concerning
14 the property. (NRS 120A.250) **Section 1** of this bill authorizes the Administrator to
15 require such reports to be filed electronically.



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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 120A.250 is hereby amended to read as follows:

120A.250 1. A person holding money or other property presumed abandoned under this chapter shall make a verified report to the Administrator with respect to the property.

2. The report must include:

(a) Except with respect to traveler's checks and money orders, the name, if known, and last known address, if any, of each person appearing from the records of the holder to be the owner of any property of the value of \$50 or more presumed abandoned under this chapter.

(b) In the case of unclaimed money held by an insurance company, the full name of the insured or annuitant and his last known address according to the records of the company.

(c) The nature and identifying number, if any, or description of the property and the amount appearing from the records to be due .
~~[-, except that items of value under \$50 each may be reported in the aggregate.]~~

(d) The date when the property became payable, demandable or returnable and the date of the last transaction with the owner with respect to the property.

(e) Any other information which the Administrator prescribes by regulation as necessary for the administration of this chapter.

3. If the person holding property presumed abandoned is a successor to other persons who previously held the property for the owner, or if the holder has changed his name while holding the property, he shall file with his report all ~~[-prior]~~ **previous** known names and addresses of each holder of the property.

4. The report must be filed before November 1 of each year for the preceding fiscal year ending June 30 , except that the report of an insurance company must be filed before May 1 of each year for the preceding calendar year. The Administrator may, in writing, postpone the reporting date upon written request by any person required to file a report.

5. Verification of the report, if made by:

(a) A partnership, must be executed by a partner.

(b) An unincorporated association or private corporation, must be executed by an officer.

(c) A public entity or corporation, must be executed by its chief fiscal officer.

6. The Administrator may require ~~[-a person reporting 15 or more items of property pursuant to this section to file the report on~~



~~diskette in lieu of on paper.]~~ *the report to be filed electronically in the manner determined by the Administrator.*

Sec. 2. NRS 120A.370 is hereby amended to read as follows:

120A.370 1. There is hereby created in the State ~~{Treasury}~~ *General Fund* the Abandoned Property Trust ~~{Fund.}~~ *Account.*

2. All money received by the Administrator under this chapter, including the proceeds from the sale of abandoned property, must be deposited by the Administrator in the State ~~{Treasury}~~ *General Fund* for credit to the ~~{Abandoned Property Trust Fund.}~~ *Account.*

3. Before making a deposit, the Administrator shall record the name and last known address of each person appearing from the holders' reports to be entitled to the abandoned property and the name and last known address of each insured person or annuitant, and with respect to each policy or contract listed in the report of an insurance company, its number, the name of the company and the amount due. The record must be available for public inspection at all reasonable business hours.

4. The Administrator may pay from money available in the ~~{Abandoned Property Trust Fund.}~~ *Account:*

(a) Any costs in connection with the sale of abandoned property.

(b) Any costs of mailing and publication in connection with any abandoned property.

(c) Reasonable service charges.

(d) Any costs incurred in examining the records of a holder and in collecting the abandoned property.

(e) Any valid claims filed pursuant to this chapter.

5. At the end of each fiscal year, the ~~{amount of the}~~ balance in the ~~{Fund in excess of \$100,500}~~ *Account* must be transferred ~~{}~~ *as follows:*

(a) The first \$7,600,000 each year must be transferred to the Millennium Scholarship Trust Fund created by NRS 396.926.

(b) The remainder must be transferred to the State General Fund, but remains subject to the valid claims of holders pursuant to NRS 120A.340 or owners pursuant to NRS 120A.380. *No such claim may be satisfied from money in the Millennium Scholarship Trust Fund.*

6. If there is an insufficient amount of money in the ~~{Abandoned Property Trust Fund}~~ *Account* to pay any cost or charge pursuant to subsection 4, the State Board of Examiners may, upon the application of the Administrator, authorize a temporary transfer from the State General Fund to the ~~{Abandoned Property Trust Fund}~~ *Account* of an amount necessary to pay those costs or charges. The Administrator shall repay the amount of the transfer as soon as sufficient money is available in the ~~{Abandoned Property Trust Fund.}~~ *Account.*



Sec. 3. NRS 120A.390 is hereby amended to read as follows:

120A.390 1. The Administrator shall review each claim filed under this chapter and may hold a hearing and receive evidence concerning the claim. If a hearing is held, he shall prepare findings of fact and a decision in writing stating the substance of any evidence heard and the reasons for his decision. The decision is a public record.

2. Except as otherwise provided in subsection 3, if the Administrator allows the claim, he shall pay it, without deduction for costs of notices or sale or for service charges, from the Abandoned Property Trust ~~Fund~~ *Account in the State General Fund* as other claims against the State are paid.

3. The Administrator may require a person with a claim in excess of \$1,000 to furnish a bond and indemnify the State against any loss resulting from the approval of ~~such~~ *the* claim if the claim is based upon an original instrument, including, without limitation, a certified check or a stock certificate, which cannot be furnished by the person with the claim.

Sec. 4. NRS 120A.410 is hereby amended to read as follows:

120A.410 1. The Administrator may enter into an agreement to provide information needed to enable another state to determine the existence of unclaimed property to which it may be entitled if the other state agrees to provide this State with information needed to enable this State to determine the existence of unclaimed property to which this State may be entitled. The Administrator may, by regulation, require the reporting of information needed to enable him to comply with agreements made pursuant to this section and may, by regulation, prescribe the form, including verification, of the information to be reported and the times for filing the reports.

2. At the request of another state, the Attorney General of this State may bring an action in the name of the other state, in any court of competent jurisdiction of this State or federal court within this State, to enforce the unclaimed property laws of the other state against a holder in this State of property to which the other state is entitled, if:

(a) The courts of the other state cannot obtain jurisdiction over the holder;

(b) The other state has agreed to bring actions in the name of this State at the request of the Attorney General of this State to enforce the provisions of this chapter against any person in the other state believed by the Administrator to hold property to which this State is entitled, where the courts of this State cannot obtain jurisdiction over that person; and

(c) The other state has agreed to pay reasonable costs incurred by the Attorney General in bringing the action on its behalf.



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1 3. If the Administrator believes that a person in another state
2 holds property to which this State is entitled under this chapter and
3 the courts of this State cannot obtain jurisdiction over that person,
4 the Attorney General of this State may request an officer of the
5 other state to bring an action in the name of this State to enforce the
6 provisions of this chapter against that person. This State shall pay all
7 reasonable costs incurred by the other state in any action brought
8 under the authority of this section. The Administrator may agree to
9 pay to the state, a political subdivision of the state, or an agency of
10 either, which employs the officer bringing such an action a reward
11 not to exceed 15 percent of the value, after deducting reasonable
12 costs, of any property recovered for this State as a direct or indirect
13 result of the action. Any costs or rewards paid pursuant to this
14 section must be paid from the Abandoned Property Trust ~~Fund~~
15 *Account in the State General Fund* and must not be deducted from
16 the amount that is subject to be claimed by the owner in accordance
17 with this chapter.

18 **Sec. 5.** On July 1, 2007, the State Controller shall transfer the
19 balance of the Abandoned Property Trust Fund to the Abandoned
20 Property Trust Account in the State General Fund.

21 **Sec. 6.** This act becomes effective on July 1, 2007.

