

ASSEMBLY BILL NO. 219—ASSEMBLYMEN HORNE; AIZLEY, ATKINSON, BOBZIEN, BROOKS, CARRILLO, CONKLIN, DALY, DONDERO LOOP, FRIERSON, HOGAN, OHRENSCHALL, SEGERBLOM AND SMITH

MARCH 1, 2011

Referred to Committee on Judiciary

SUMMARY—Provides that certain unredeemed wagering instruments escheat to the State. (BDR 10-811)

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

~

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

AN ACT relating to unclaimed property; providing that certain unredeemed wagering instruments escheat to the State; requiring the Nevada Gaming Commission to adopt regulations relating to unredeemed wagering instruments; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law prescribes the process of the disposition of unclaimed personal
2 property. (Chapter 120A of NRS) Existing law also provides that such provisions of
3 law do not apply to unredeemed gaming chips or tokens. (NRS 120A.135) **Section**
4 **3** of this bill specifies that with regard to unclaimed property, a gaming chip or
5 token does not include a wagering instrument. **Section 4** of this bill provides that a
6 wagering instrument is presumed to be abandoned if it is unclaimed by the apparent
7 owner within 1 year after the wager is placed, unless the Nevada Gaming
8 Commission specifies a different period in which the wagering instrument must be
9 redeemed.
10 **Section 6** of this bill requires the Commission to adopt regulations that
11 prescribe the procedures which gaming licensees must follow regarding the
12 retention and tracking of wagering instruments and the payment of the value of
13 unredeemed wagering instruments to this State.



* A B 2 1 9 *

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

Section 1. Chapter 120A of NRS is hereby amended by adding thereto a new section to read as follows:

“Wagering instrument” has the meaning ascribed to it in NRS 463.01967.

Sec. 2. NRS 120A.020 is hereby amended to read as follows:

120A.020 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 120A.025 to 120A.120, inclusive, *and section 1 of this act* have the meanings ascribed to them in those sections.

Sec. 3. NRS 120A.135 is hereby amended to read as follows:

120A.135 1. The provisions of this chapter do not apply to gaming chips or tokens which are not redeemed at an establishment.

2. As used in this section:

(a) “Establishment” has the meaning ascribed to it in NRS 463.0148.

(b) “Gaming chip or token” means any object which may be redeemed at an establishment for cash or any other representative of value *[H], other than a wagering instrument.*

Sec. 4. NRS 120A.500 is hereby amended to read as follows:

120A.500 1. Except as otherwise provided in subsection 6, property is presumed abandoned if it is unclaimed by the apparent owner during the time set forth below for the particular property:

(a) A traveler’s check, 15 years after issuance;

(b) A money order, 7 years after issuance;

(c) Any stock or other equity interest in a business association or financial organization, including a security entitlement under NRS 104.8101 to 104.8511, inclusive, 3 years after the earlier of the date of the most recent dividend, stock split or other distribution unclaimed by the apparent owner, or the date of the second mailing of a statement of account or other notification or communication that was returned as undeliverable or after the holder discontinued mailings, notifications or communications to the apparent owner;

(d) Any debt of a business association or financial organization, other than a bearer bond or an original issue discount bond, 3 years after the date of the most recent interest payment unclaimed by the apparent owner;

(e) A demand, savings or time deposit, including a deposit that is automatically renewable, 3 years after the earlier of maturity or the date of the last indication by the owner of interest in the property, but a deposit that is automatically renewable is deemed matured for purposes of this section upon its initial date of maturity, unless the owner has consented to a renewal at or about the time of



* A B 2 1 9 *

1 the renewal and the consent is in writing or is evidenced by a
2 memorandum or other record on file with the holder;

3 (f) Except as otherwise provided in NRS 120A.520, any money
4 or credits owed to a customer as a result of a retail business
5 transaction, 3 years after the obligation accrued;

6 (g) Any amount owed by an insurer on a life or endowment
7 insurance policy or an annuity that has matured or terminated, 3
8 years after the obligation to pay arose or, in the case of a policy or
9 annuity payable upon proof of death, 3 years after the insured has
10 attained, or would have attained if living, the limiting age under the
11 mortality table on which the reserve is based;

12 (h) Any property distributable by a business association or
13 financial organization in a course of dissolution, 1 year after the
14 property becomes distributable;

15 (i) Any property received by a court as proceeds of a class
16 action and not distributed pursuant to the judgment, 1 year after the
17 distribution date;

18 (j) Except as otherwise provided in NRS 607.170 and 703.375,
19 any property held by a court, government, governmental
20 subdivision, agency or instrumentality, 1 year after the property
21 becomes distributable;

22 (k) Any wages or other compensation for personal services, 1
23 year after the compensation becomes payable;

24 (l) A deposit or refund owed to a subscriber by a utility, 1 year
25 after the deposit or refund becomes payable;

26 (m) Any property in an individual retirement account, defined
27 benefit plan or other account or plan that is qualified for tax deferral
28 under the income tax laws of the United States, 3 years after the
29 earliest of the date of the distribution or attempted distribution of the
30 property, the date of the required distribution as stated in the plan or
31 trust agreement governing the plan or the date, if determinable by
32 the holder, specified in the income tax laws of the United States by
33 which distribution of the property must begin in order to avoid a tax
34 penalty; ~~and~~

35 (n) *Any wagering instrument, 1 year after the wager is placed,*
36 *unless the Nevada Gaming Commission specifies by regulation a*
37 *different period in which the wagering instrument must be*
38 *redeemed; and*

39 (o) All other property, 3 years after the owner's right to demand
40 the property or after the obligation to pay or distribute the property
41 arises, whichever first occurs.

42 2. At the time that an interest is presumed abandoned under
43 subsection 1, any other property right accrued or accruing to the
44 owner as a result of the interest, and not previously presumed
45 abandoned, is also presumed abandoned.



1 3. Property is unclaimed if, for the applicable period set forth
2 in subsection 1, the apparent owner has not communicated, in
3 writing or by other means reflected in a contemporaneous record
4 prepared by or on behalf of the holder, with the holder concerning
5 the property or the account in which the property is held and has not
6 otherwise indicated an interest in the property. A communication
7 with an owner by a person other than the holder or its representative
8 who has not in writing identified the property to the owner is not an
9 indication of interest in the property by the owner.

10 4. An indication of an owner's interest in property includes:

11 (a) The presentment of a check or other instrument of payment
12 of a dividend or other distribution made with respect to an account
13 or underlying stock or other interest in a business association or
14 financial organization or, in the case of a distribution made by
15 electronic or similar means, evidence that the distribution has been
16 received;

17 (b) Owner-directed activity in the account in which the property
18 is held, including a direction by the owner to increase, decrease or
19 change the amount or type of property held in the account;

20 (c) The making of a deposit to or withdrawal from a bank
21 account; and

22 (d) The payment of a premium with respect to a property interest
23 in an insurance policy, but the application of an automatic premium
24 loan provision or other nonforfeiture provision contained in an
25 insurance policy does not prevent a policy from maturing or
26 terminating if the insured has died or the insured or the beneficiary
27 of the policy has otherwise become entitled to the proceeds before
28 the depletion of the cash surrender value of a policy by the
29 application of those provisions.

30 5. Property is payable or distributable for purposes of this
31 chapter notwithstanding the owner's failure to make demand or
32 present an instrument or document otherwise required to obtain
33 payment.

34 6. The following property clearly designated as such must not
35 be presumed abandoned because of inactivity or failure to make a
36 demand:

37 (a) An account or asset managed through a guardianship;

38 (b) An account blocked at the direction of a court;

39 (c) A trust account established to address a special need;

40 (d) A qualified income trust account;

41 (e) A trust account established for tuition purposes;

42 (f) A trust account established on behalf of a client; and

43 (g) An account or fund established to meet the costs of burial.



Sec. 5. NRS 120A.530 is hereby amended to read as follows:

120A.530 Except as otherwise provided in this chapter or by other statute of this State, property that is presumed abandoned, whether located in this or another state, is subject to the custody of this State if:

1. The last known address of the apparent owner, as shown on the records of the holder, is in this State;

2. The records of the holder do not reflect the identity of the person entitled to the property and it is established that the last known address of the person entitled to the property is in this State;

3. The records of the holder do not reflect the last known address of the apparent owner and it is established that:

(a) The last known address of the person entitled to the property is in this State; or

(b) The holder is domiciled in this State or is a government or governmental subdivision, agency or instrumentality of this State and has not previously paid or delivered the property to the state of the last known address of the apparent owner or other person entitled to the property;

4. The last known address of the apparent owner, as shown on the records of the holder, is in a state that does not provide for the escheat or custodial taking of the property and the holder is domiciled in this State or is a government or governmental subdivision, agency or instrumentality of this State;

5. The last known address of the apparent owner, as shown on the records of the holder, is in a foreign country and the holder is domiciled in this State or is a government or governmental subdivision, agency or instrumentality of this State;

6. The transaction out of which the property arose occurred in this State, the holder is domiciled in a state that does not provide for the escheat or custodial taking of the property and the last known address of the apparent owner or other person entitled to the property is unknown or is in a state that does not provide for the escheat or custodial taking of the property; ~~or~~

7. The property is a traveler's check or money order purchased in this State or the issuer of the traveler's check or money order has its principal place of business in this State and the issuer's records show that the instrument was purchased in a state that does not provide for the escheat or custodial taking of the property or do not show the state in which the instrument was purchased ~~or~~; *or*

8. The property is a wagering instrument that was issued in this State.



* A B 2 1 9 *

1 **Sec. 6.** Chapter 463 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *The Commission shall adopt regulations prescribing*
4 *procedures which licensees must follow for the retention and*
5 *tracking of wagering instruments and for the payment of the value*
6 *of unredeemed wagering instruments to this State as required by*
7 *chapter 120A of NRS regarding the disposition of unclaimed*
8 *property.*

9 **Sec. 7.** This act becomes effective on July 1, 2011.

