

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 692
PROPOSED COMMITTEE SUBSTITUTE H692-PCS50313-SH-14

Short Title: Increase Payment of Unclaimed Property Claims.

(Public)

Sponsors:

Referred to:

April 7, 2011

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE STATUTES GOVERNING UNCLAIMED PROPERTY IN
ORDER TO INCREASE CLAIMS PAID TO RIGHTFUL OWNERS AND REDUCE
REPORTING BURDENS ON BUSINESS HOLDERS OF UNCLAIMED PROPERTY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 116B-6 is amended by adding a new subsection to read:

"(j) Data Sharing. – On or before February 1 of each year, the North Carolina Division of Motor Vehicles, the North Carolina Department of Revenue, and the North Carolina Employment Security Commission shall provide to the Treasurer, for the Treasurer's confidential use, information to facilitate locating owners of unclaimed property. The Treasurer may not use any information obtained pursuant to this section for any purpose except for locating owners of unclaimed property."

SECTION 2. G.S. 116B-52(11) reads as rewritten:

"(11) "Property" means (i) tangible personal property physically located in a safe deposit box or other safekeeping depository held by a financial institution within this State or (ii) a fixed and certain interest in intangible property that is held, issued, or owed in the course of a holder's business, or by a government, governmental subdivision, agency, or instrumentality, and all income or increments therefrom. The term includes property that is referred to as or evidenced by:

- a. Money, a check, draft, deposit, interest, or dividend;
- b. Credit balance, customer's overpayment, gift certificate, security deposit, refund, credit memorandum, unpaid wage, unused ticket, mineral proceeds, or unidentified remittance;
- c. Stock or other evidence of ownership of an interest in a business association;
- d. A bond, debenture, note, or other evidence of indebtedness;
- e. Money deposited to redeem stocks, bonds, coupons, or other securities, or to make distributions;
- f. An amount due and payable under the terms of an annuity or insurance policy, including policies providing life insurance, property and casualty insurance, workers' compensation insurance, or health and disability insurance; and



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- 1 g. An amount distributable from a trust or custodial fund established
2 under a plan to provide health, welfare, pension, vacation, severance,
3 retirement, death, stock purchase, profit sharing, employee savings,
4 supplemental unemployment insurance, or similar benefits."

5 **SECTION 3.** G.S. 116B-53(c)(13) reads as rewritten:

6 "(13) Wages or other compensation for personal services, ~~two years~~ one year after
7 the compensation becomes payable."

8 **SECTION 4.** G.S. 116B-60 reads as rewritten:

9 **"§ 116B-60. Report of abandoned property; certification by holders with tax return.**

10 (a) A holder of property presumed abandoned shall make a report to the Treasurer
11 concerning the property. Holders reporting 50 or more property owner records shall file the
12 report in an electronic format prescribed by ~~the National Association of Unclaimed Property~~
13 ~~Administrators and approved by~~ the Treasurer. Holders reporting less than 50 property owner
14 records may file the report electronically. Holders reporting electronically may file an
15 electronically signed affidavit in order to comply with subsection (f) of this section.

16 (b) ~~The~~ For amounts due to the apparent owner of property of the value of fifty dollars
17 (\$50.00) or more, the report must be verified and ~~must contain:~~ must contain the following, if
18 known by the holder:

19 (1) ~~A description of the property; Except with respect to a traveler's check or~~
20 ~~money order, full name, last known address, social security number or~~
21 ~~taxpayer identification number, date of birth, drivers license or state~~
22 ~~identification number, and e-mail address of each person who, from the~~
23 ~~records of the holder of the property, appears to be the apparent owner of the~~
24 ~~property.~~

25 (2) ~~Except with respect to a traveler's check or money order, the name, if~~
26 ~~known, and last known address, if any, and the social security number or~~
27 ~~taxpayer identification number, if readily ascertainable, of the apparent~~
28 ~~owner of property of the value of fifty dollars (\$50.00) or more; A~~
29 ~~description of the property, the identification number, if any, and the~~
30 ~~property amount.~~

31 (3) ~~An aggregated amount of items valued under fifty dollars (\$50.00) each;~~

32 (4) ~~In the case of an amount of fifty dollars (\$50.00) or more held or owing~~
33 ~~under an annuity or a life or endowment insurance policy, the full name and~~
34 ~~last known address address, social security number or taxpayer identification~~
35 ~~number, date of birth, drivers license or state identification number, and~~
36 ~~e-mail address of the annuitant or insured and of the ~~beneficiary;~~ beneficiary.~~

37 (5) ~~The date, if any, on which the property became payable, demandable, or~~
38 ~~returnable, and the date of the last transaction or communication with the~~
39 ~~apparent owner with respect to the ~~property;~~ and property.~~

40 (6) ~~Other information that the Treasurer by rule prescribes as necessary for the~~
41 ~~administration of this Chapter.~~

42 (b1) Amounts due an apparent owner less than fifty dollars (\$50.00) may be reported in
43 an aggregate amount without furnishing any of the information required by subsection (b) of
44 this section.

45 (c) If a holder of property presumed abandoned is a successor to another person who
46 previously held the property for the apparent owner or the holder has changed its name while
47 holding the property, the holder shall file with the report its former names, if any, and the
48 known names and addresses of all previous holders of the property.

49 (d) The report must be filed before November 1 of each year and cover the 12 months
50 next preceding July 1 of that year, but a report with respect to a life insurance company must be
51 filed before May 1 of each year for the calendar year next preceding.

1 (e) Before the date for filing the report, the holder of property presumed abandoned
2 may request the Treasurer to extend the time for filing the report. A request for an extension for
3 filing a report shall be accompanied by an extension processing fee of ten dollars (\$10.00). The
4 Treasurer may grant the extension for good cause. The holder, upon receipt of the extension,
5 may make an interim payment on the amount the holder estimates will ultimately be due, which
6 terminates the accrual of additional interest on the amount paid.

7 (f) The holder of property presumed abandoned shall file with the report an affidavit
8 stating that the holder has complied with G.S. 116B-59.

9 (f1) Any holder who has intangible property due to be reported with a cumulative value
10 of two hundred fifty dollars (\$250.00) or less in a single reporting year shall not be required to
11 report the property in that year but shall report the property in any year when the value or
12 aggregate value exceeds two hundred fifty dollars (\$250.00).

13 (g) Every business association holding property presumed abandoned under this
14 Chapter shall certify the holding in the income tax return required by Chapter 105 of the
15 General Statutes. The certification shall be a part of the tax return with which it is filed. If the
16 business association is not required to file an income tax return under Chapter 105, the
17 certification shall be made in the form and manner required by the Secretary of Revenue. The
18 information appearing on the certification is not privileged or confidential, and this information
19 shall be furnished by the Secretary of Revenue to the Escheat Fund on October 1 of each year,
20 or if this date shall fall on a weekend or holiday, on the next regular business day."

21 **SECTION 5.** G.S. 116B-65(a) reads as rewritten:

22 "(a) Except as otherwise provided in this section, the Treasurer, within three years after
23 the receipt of abandoned property, shall sell it to the highest bidder at public sale at a location
24 in the State which in the judgment of the Treasurer affords the most favorable market for the
25 property. The Treasurer may decline the highest bid and reoffer the property for sale if the
26 Treasurer considers the bid to be insufficient. The Treasurer need not offer the property for sale
27 if the Treasurer considers that the probable cost of sale will exceed the proceeds of the sale. ~~A~~
28 ~~sale held under this section must be preceded by a single publication of notice, at least three~~
29 ~~weeks before sale, in a newspaper of general circulation in the county in which the property is~~
30 ~~to be sold. The Treasurer shall give reasonable notice of the sale as he or she deems appropriate~~
31 ~~and cost-effective, but, at a minimum, notice must be published at least two times a year in a~~
32 ~~major newspaper in the State's major media markets.~~ The Treasurer is not required to sell
33 money unless it is a collector's species having value greater than the face value of the money as
34 cash."

35 **SECTION 6.** This act becomes effective October 1, 2011.