

CHAPTER 1079

UNITED STATES SAVINGS BONDS — ESCHEATMENT

S.F. 2283

AN ACT providing a procedure for the escheatment of United States savings bonds presumed abandoned.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. NEW SECTION. **556.9B United States savings bonds — escheatment procedures.**

1. Notwithstanding any provision of this chapter to the contrary, the escheat of United States savings bonds and proceeds from such bonds to the state shall be governed by this section.

2. United States savings bonds held or owing in this state by any person, or issued or owed in the course of a holder's business, or issued or owed by a state or other government, governmental subdivision, agency, or instrumentality, and all proceeds from such bonds, shall escheat to the state three years after such bonds are presumed abandoned property under section 556.9, subsection 1. All property rights and legal title to and ownership of such United States savings bonds or proceeds from such bonds, including all rights, powers, and privileges of survivorship of any owner, co-owner, or beneficiary, shall vest solely in the state.

3. Within one hundred eighty days after the three-year period referred to in subsection 2, if a claim has not been filed in accordance with the provisions of section 556.19 for the United States savings bonds, the treasurer of state shall commence a civil action in the district court of Polk county for a determination that the savings bonds shall escheat to the state. The treasurer of state may postpone the bringing of such an action until sufficient United States savings bonds have accumulated in the treasurer of state's custody to justify the expense of the civil action.

4. *a.* In lieu of the notice and publication provisions specified in section 556.12, the treasurer of state or the treasurer of state's attorney must file an affidavit or a declaration stating all of the following that apply:

(1) That personal service of notice or notification by certified mail has been attempted at the last known address of all named defendants unless the treasurer or the treasurer's attorney has reason to believe that the address submitted by the holder is unknown or not otherwise sufficient to ensure that personal service or delivery of such notice will likely occur. The notice shall notify the defendant of the information in paragraph "b", subparagraphs (1), (2), and (3).

(2) That a reasonable effort has been made to ascertain the names and addresses of any defendants sought to be served as unknown parties.

(3) That service of summons pursuant to subparagraph (1) or (2) has been unsuccessful.

b. Following the filing of the affidavit or declaration pursuant to paragraph "a", the treasurer of state shall serve notice by publication. Publication of the notice shall be made once each week for three consecutive weeks in a newspaper of general circulation published in the county where the petition is filed. Such notice shall name any defendant to be served and shall notify the defendant of the following:

(1) The defendant has been sued in a named court.

(2) The defendant must answer the petition or other pleading or otherwise defend, on or before a specified date that is less than forty-one days after the date the notice is first published.

(3) If the defendant does not answer or otherwise defend, the petition or other pleading will be taken as true and judgment, the nature of which must be stated, will be rendered accordingly.

5. If a person does not file a claim or appear at the hearing to substantiate a claim, or if the court determines that a claimant is not entitled to the property claimed by the claimant, the court, if satisfied by evidence that the treasurer of state has substantially complied with the laws of this state, shall enter a judgment that the United States savings bonds have escheated to the state, and all property rights and legal title to and ownership of such savings bonds or

proceeds from such bonds, including all rights, powers, and privileges of survivorship of any owner, co-owner, or beneficiary, have vested solely in the state.

6. The treasurer of state shall redeem United States savings bonds escheated to the state and the proceeds from the redemption shall be deposited into the general fund of the state in accordance with section 556.18.

7. Any person making a claim for the United States savings bonds escheated to the state under this section, or for the proceeds from such bonds, may file a claim in accordance with section 556.19. Upon providing sufficient proof of the validity of the person's claim, the treasurer of state may pay such claim in accordance with the provisions of section 556.20.

Approved April 10, 2014