

2/5/96 State Gov.  
2/21/96 Do Pass

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H. 3/6/96 State Gov.  
H. 3/19/96 Do Pass

SENATE FILE 2122  
BY GRONSTAL

(P. 583)  
Passed Senate, Date 3/4/96 Passed House, Date 3/27/96  
Vote: Ayes 49 Nays 0 Vote: Ayes 95 Nays 0  
Approved April 2, 1996

A BILL FOR

1 An Act relating to unclaimed property held by the state,  
2 fraudulent practices to obtain the property, and establishing  
3 a penalty.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 2122

1 Section 1. Section 25.2, Code Supplement 1995, is amended  
2 to read as follows:

3 25.2 EXAMINATION OF REPORT -- APPROVAL OR REJECTION --  
4 PAYMENT.

5 The state appeal board with the recommendation of the  
6 special assistant attorney general for claims may approve or  
7 reject claims against the state of less than ten years  
8 covering the following: outdated warrants; outdated sales and  
9 use tax refunds; license refunds; additional agricultural land  
10 tax credits; outdated invoices; fuel and gas tax refunds;  
11 outdated homestead and veterans' exemptions; outdated funeral  
12 service claims; tractor fees; registration permits; outdated  
13 bills for merchandise; services furnished to the state; claims  
14 by any county or county official relating to the personal  
15 property tax credit; and refunds of fees collected by the  
16 state. Payments authorized by the state appeal board shall be  
17 paid from the appropriation or fund of original certification  
18 of the claim. However, if that appropriation or fund has  
19 since reverted under section 8.33 then such payment authorized  
20 by the state appeal board shall be out of any money in the  
21 state treasury not otherwise appropriated. Notwithstanding  
22 the provisions of this section, the director of revenue and  
23 finance may reissue outdated warrants. On or before November  
24 1 of each year, the director of revenue and finance shall  
25 provide the treasurer of state with a report of all unpaid  
26 warrants which have been outdated for two years or more. The  
27 treasurer shall include information regarding outdated  
28 warrants in the notice published pursuant to section 556.12.  
29 ~~The provisions of section 556.11 regarding agreements to pay~~  
30 ~~compensation for recovery or assistance in recovery of~~  
31 ~~unclaimed property are applicable to agreements to pay~~  
32 ~~compensation to recover or assist in the recovery of outdated~~  
33 warrants. An agreement to pay compensation to recover or  
34 assist in the recovery of an outdated warrant made within  
35 twenty-four months after the date the warrant becomes outdated

1 is unenforceable. However, an agreement made after twenty-  
2 four months from the date the warrant becomes outdated is  
3 valid if the fee or compensation agreed upon is not more than  
4 fifteen percent of the recoverable property, the agreement is  
5 in writing and signed by the payee, and the writing discloses  
6 the nature and value of the property and the name and address  
7 of the person in possession. This section does not apply to a  
8 payee who has a bona fide fee contract with a practicing  
9 attorney regulated under chapter 602, article 10.

10 Sec. 2. Section 714.8, Code 1995, is amended by adding the  
11 following new subsection:

12 NEW SUBSECTION. 16. Knowingly provides false information  
13 to the treasurer of state when claiming, pursuant to section  
14 556.19, an interest in unclaimed property held by the state,  
15 or knowingly provides false information to a person or fails  
16 to disclose the nature, value, and location of unclaimed  
17 property prior to entering into a contract to receive  
18 compensation to recover or assist in the recovery of property  
19 reported as unclaimed pursuant to section 556.11.

20 EXPLANATION

21 Section 1 of this bill relates to limitations placed upon  
22 contracts to provide assistance in the recovery of outdated  
23 warrants held by the department of revenue and finance.  
24 Warrants are outstanding obligations such as income or sales  
25 tax refunds issued by the state for property, which includes,  
26 but is not limited to, money owed to a person by the state.  
27 Specifically, section 1 provides that an agreement to pay  
28 compensation to recover or assist in the recovery of an  
29 outdated warrant made within 24 months after the date the  
30 warrant becomes outdated is unenforceable. However, an  
31 agreement made 24 months after the date the warrant becomes  
32 outdated is valid if the fee or compensation agreed upon is  
33 not more than 15 percent of the recoverable property, the  
34 agreement is in writing and signed by the payee, and the  
35 writing discloses the nature and value of the property and the

1 name and address of the person in possession. Section 1 does  
2 not apply to a payee who has a bona fide fee contract with a  
3 practicing attorney.

4 Section 2 expands the definition of acts constituting  
5 fraudulent practices to include knowingly providing false  
6 information for purposes of claiming an interest in unclaimed  
7 property held by the state or securing a contract with another  
8 for the recovery of unclaimed property.

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SENATE FILE 2122

AN ACT

RELATING TO UNCLAIMED PROPERTY HELD BY THE STATE, FRAUDULENT  
PRACTICES TO OBTAIN THE PROPERTY, AND ESTABLISHING A PENALTY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 25.2, Code Supplement 1995, is amended  
to read as follows:

25.2 EXAMINATION OF REPORT -- APPROVAL OR REJECTION --  
PAYMENT.

The state appeal board with the recommendation of the  
special assistant attorney general for claims may approve or  
reject claims against the state of less than ten years  
covering the following: outdated warrants; outdated sales and  
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of the claim. However, if that appropriation or fund has  
since reverted under section 8.33 then such payment authorized  
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~~The provisions of section 556.11 regarding agreements to pay  
compensation for recovery or assistance in recovery of  
unclaimed property are applicable to agreements to pay  
compensation to recover or assist in the recovery of outdated  
warrants.~~ An agreement to pay compensation to recover or  
assist in the recovery of an outdated warrant made within  
twenty-four months after the date the warrant becomes outdated  
is unenforceable. However, an agreement made after twenty-  
four months from the date the warrant becomes outdated is  
valid if the fee or compensation agreed upon is not more than  
fifteen percent of the recoverable property, the agreement is  
in writing and signed by the payee, and the writing discloses  
the nature and value of the property and the name and address  
of the person in possession. This section does not apply to a  
payee who has a bona fide fee contract with a practicing  
attorney regulated under chapter 602, article 10.

Sec. 2. Section 714.8, Code 1995, is amended by adding the  
following new subsection:

NEW SUBSECTION. 16. Knowingly provides false information  
to the treasurer of state when claiming, pursuant to section  
556.19, an interest in unclaimed property held by the state,  
or knowingly provides false information to a person or fails  
to disclose the nature, value, and location of unclaimed  
property prior to entering into a contract to receive

compensation to recover or assist in the recovery of property reported as unclaimed pursuant to section 556.11.

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LEONARD L. BOSWELL  
President of the Senate

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RON J. CORBETT  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2122, Seventy-sixth General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved April 2, 1996

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TERRY E. BRANSTAD  
Governor