

February 3, 1967
Commerce *Pass as amended 3-15*
" *4-20 - W.R. 5-3*

House File 101

By MOWRY, DODERER, SULLIVAN,
McNAMARA, GANNON, EDGINGTON,
GRASSLEY, STORY, JOHNSON of
Audubon-Guthrie, SCHROEDER,
FISHER of Greene, FISCHER of
Grundy and GRAHAM.

Passed House, Date 4-17-67 Passed Senate, Date 5-22-67
Vote: Ayes 93 Nays 22 Vote: Ayes 51 Nays 3

*Passed
House as
amended by
Senate 5-23
96-8*

Approved June 15, 1967

A BILL FOR

An Act relating to the disposition of unclaimed property and making uniform the law with reference thereto.

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

- 1 Section 1. Definitions and Use of Terms. As used in this
2 Act, unless the context otherwise requires:
- 3 1. "Banking organization" means any bank, trust company,
4 savings bank, industrial bank, land bank, safe deposit company,
5 or a private banker engaged in business in this state.
- 6 2. "Business association" means any corporation, other than
7 a public corporation, joint stock company, business trust, part-
8 nership, or any association for business purposes of two or
9 more individuals.
- 10 3. "Financial organization" means any savings and loan as-
11 sociation, building and loan association, credit union, cooper-
12 ative bank or investment company, engaged in business in this
13 state.
- 14 4. "Holder" means any person in possession of property sub-
15 ject to this Act belonging to another, or who is trustee in case
16 of a trust, or is indebted to another on an obligation subject
17 to this Act.
- 18 5. "Life insurance corporation" means any association or
19 corporation transacting within this state the business of

20 insurance on the lives of persons or insurance appertaining
21 thereto, including, but not by way of limitation, endowments and
22 annuities.

23 6. "Owner" means a depositor in case of a deposit, a benefi-
24 ciary in case of a trust, a creditor, claimant, or payee in case
25 of other choses in action, or any person having a legal or equit-
26 able interest in property subject to this Act, or his legal rep-
27 resentative.

28 7. "Person" means any individual, business association, gov-
29 ernment or political subdivision, public corporation, public auth-
30 ority, estate, trust, two or more persons having a joint or com-
31 mon interest, or any other legal or commercial entity.

32 8. "Utility" means any person who owns or operates within
33 this state, for public use, any plant, equipment, property, fran-
34 chise, or license for the transmission of communications or the
35 production, storage, transmission, sale, delivery, or furnishing
36 of electricity, water, steam, or gas.

1 Sec. 2. Property Held by Banking or Financial Organizations
2 or by Business Associations. The following property held or
3 owing by a banking or financial organization or by a business
4 association is presumed abandoned:

5 1. Any demand, savings, or matured time deposit made in this
6 state with a banking organization, together with any interest or
7 dividend thereon, excluding any charges that may lawfully be with-
8 held, unless the owner has, within seven (7) years:

9 a. Increased or decreased the amount of the deposit, or pre-
10 sented the passbook or other similar evidence of the deposit for
11 the crediting of interest.

12 b. Corresponded in writing with the banking organization con-
13 cerning the deposit.

14 c. Otherwise indicated an interest in the deposit as evidenced
15 by a memorandum on file with the banking organization.

16 2. Any funds paid in this state toward the purchase of shares
17 or other interest in a financial organization or any deposit made
18 therewith in this state, and any interest or dividends thereon,

19 excluding any charges that may lawfully be withheld, unless the
20 owner has within seven (7) years:

21 a. Increased or decreased the amount of the funds or deposit,
22 or presented an appropriate record for the crediting of interest
23 or dividends.

24 b. Corresponded in writing with the financial organization
25 concerning the funds or deposit.

26 c. Otherwise indicated an interest in the funds or deposit
27 as evidenced by a memorandum on file with the financial organ-
28 ization.

29 3. Any sum payable on checks certified in this state or on
30 written instruments issued in this state on which a banking or
31 financial organization or business association is directly
32 liable, including, by way of illustration but not of limitation,
33 certificates of deposit, drafts, money orders, and traveler's
34 checks, that, with the exception of traveler's checks, has been
35 outstanding for more than seven (7) years from the date it was
36 payable, or from the date of its issuance if payable on demand,
37 or, in the case of traveler's checks, that has been outstanding
38 for more than fifteen (15) years from the date of its issuance,
39 unless the owner has within seven (7) years, or within fifteen
40 (15) years in the case of traveler's checks, corresponded in
41 writing with the banking or financial organization or business
42 association concerned, or otherwise indicated an interest as
43 evidenced by a memorandum on file with the banking or financial
44 organization or business association.

45 4. Any funds or other personal property, tangible or intang-
46 ible, removed from a safe deposit box or any other safekeeping
47 repository or agency or collateral deposit box in this state
48 on which the lease or rental period has expired due to nonpay-
49 ment of rental charges or other reason, or any surplus amounts
50 arising from the sale thereof pursuant to law, that have been
51 unclaimed by the owner for more than seven (7) years from the
52 date on which the lease or rental period expired.

1 Sec. 3. Unclaimed Funds Held by Life Insurance Corporations.

2 1. Unclaimed funds, as defined in this section, held and
3 owing by a life insurance corporation shall be presumed abandoned
4 if the last known address, according to the records of the corpo-
5 ration, of the person entitled to the funds is within this state.
6 If a person other than the insured or annuitant is entitled to
7 the funds and no address of such person is known to the corpo-
8 ration or if it is not definite and certain from the records of
9 the corporation what person is entitled to the funds, it is pre-
10 sumed that the last known address of the person entitled to the
11 funds is the same as the last known address of the insured or
12 annuitant according to the records of the corporation.

13 2. "Unclaimed funds," as used in this section, means all
14 moneys held and owing by any life insurance corporation unclaimed
15 and unpaid for more than seven (7) years after the moneys became
16 due and payable as established from the records of the corporation
17 under any life or endowment insurance policy or annuity contract
18 which has matured or terminated. A life insurance policy not
19 matured by actual proof of the death of the insured is deemed
20 to be matured and the proceeds thereof are deemed to be due and
21 payable if such policy was in force when the insured attained
22 the limiting age under the mortality table on which the reserve
23 is based, unless the person appearing entitled thereto has within
24 the preceding seven (7) years, (1) assigned, readjusted, or paid
25 premiums on the policy, or subjected the policy to loan, or (2)
26 corresponded in writing with the life insurance corporation con-
27 cerning the policy. Moneys otherwise payable according to the
28 records of the corporation are deemed due and payable although
29 the policy or contract has not been surrendered as required.

1 Sec. 4. Deposits and Refunds Held by Utilities. The follow-
2 ing funds held or owing by any utility are presumed abandoned:

3 1. Any deposit made by a subscriber with a utility to secure
4 payment for, or any sum paid in advance for, utility services
5 to be furnished in this state, less any lawful deductions, that
6 has remained unclaimed by the person appearing on the records of
7 the utility entitled thereto for more than seven (7) years after

8 the termination of the services for which the deposit or advance
9 payment was made.

10 2. Any sum which a utility has been ordered to refund and
11 which was received for utility services rendered in this state,
12 together with any interest thereon, less any lawful deductions,
13 that has remained unclaimed by the person appearing on the records
14 of the utility entitled thereto for more than seven (7) years
15 after the date it became payable in accordance with the final
16 determination or order providing for the refund.

1 Sec. 5. Undistributed Dividends and Distributions of Busi-
2 ness Associations. Any stock or other certificate of ownership,
3 or any dividend, profit, distribution, interest, payment on
4 principal, or other sum held or owing by a business association
5 for or to a shareholder, certificate holder, member, bondholder,
6 or other security holder, or a participating patron of a coop-
7 erative, who has not claimed it, or corresponded in writing with
8 the business association concerning it, within seven (7) years
9 after the date prescribed for payment or delivery, is presumed
10 abandoned if:

11 1. It is held or owing by a business association organized
12 under the laws of or created in this state; or

13 2. It is held or owing by a business association doing busi-
14 ness in this state, but not organized under the laws of or created
15 in this state, and the records of the business association in-
16 dicate that the last known address of the person entitled thereto
17 is in this state.

1 Sec. 6. Property of Business Associations and Banking or
2 Financial Organizations Held in Course of Dissolution. Except
3 as provided in section four hundred ninety-six A point one
4 hundred and one (496A.101) of the Code, all intangible personal
5 property distributable in the course of a voluntary dissolution
6 of a business association, banking organization, or financial
7 organization organized under the laws of or created in this
8 state, that is unclaimed by the owner within two (2) years after
9 the date for final distribution, is presumed abandoned.

1 Sec. 7. Property Held by Fiduciaries. All intangible per-
2 sonal property and any income or increment thereon, held in a
3 fiduciary capacity for the benefit of another person is presumed
4 abandoned unless the owner has, within seven (7) years after it
5 becomes payable or distributable, increased or decreased the
6 principal, accepted payment of principal or income, corresponded
7 in writing concerning the property, or otherwise indicated an
8 interest as evidenced by a memorandum on file with the fiduciary:

9 1. If the property is held by a banking organization or a
10 financial organization, or by a business association organized
11 under the laws of or created in this state; or

12 2. If it is held by a business association, doing business
13 in this state, but not organized under the laws of or created
14 in this state, and the records of the business association in-
15 dicate that the last known address of the person entitled thereto
16 is in this state; or

17 3. If it is held in this state by any other person.

1 Sec. 8. Property Held by State Courts and Public Officers
2 and Agencies. All intangible personal property held for the
3 owner by any court, public corporation, public authority, or
4 public officer of this state, or a political subdivision thereof,
5 that has remained unclaimed by the owner for more than seven (7)
6 years is presumed abandoned.

1 Sec. 9. Miscellaneous Personal Property Held for Another
2 Person. All intangible personal property, not otherwise covered
3 by this Act, including any income or increment thereon and de-
4 ducting any lawful charges, that is held or owing in this state
5 in the ordinary course of the holder's business and has remained
6 unclaimed by the owner for more than seven (7) years after it be-
7 came payable or distributable is presumed abandoned.

1 Sec. 10. Reciprocity for Property Presumed Abandoned or
2 Escheated Under the Laws of Another State. If specific property
3 which is subject to the provisions of sections two (2), five (5),
4 six (6), seven (7), and nine (9) of this Act is held for or owed
5 or distributable to an owner whose last known address is in another

6 state by a holder who is subjected to the jurisdiction of that
7 state, the specific property is not presumed abandoned in this
8 state and subject to this Act if:

9 1. It may be claimed as abandoned or escheated under the
10 laws of such other state; and

11 2. The laws of such other state make reciprocal provision
12 that similar specific property is not presumed abandoned or
13 escheatable by such other state when held for or owed or dis-
14 tributable to an owner whose last known address is within this
15 state by a holder who is subject to the jurisdiction of this
16 state.

1 Sec. 11. Report of Abandoned Property.

2 1. Every person holding funds or other property, tangible or
3 intangible, presumed abandoned under this Act shall report to
4 the state treasurer with respect to the property as hereinafter
5 provided.

6 2. The report shall be verified and shall include:

7 a. Except with respect to traveler's checks and money orders,
8 the name, if known, and last known address, if any, of each per-
9 son appearing from the records of the holder to be the owner of
10 any property of the value of three (3) dollars or more presumed
11 abandoned under this Act.

12 b. In case of unclaimed funds of life insurance corporations,
13 the full name of the insured or annuitant and his last known ad-
14 dress according to the life insurance corporation's records.

15 c. The nature and identifying number, if any, or description
16 of the property and the amount appearing from the records to be
17 due, except that items of value under three (3) dollars each
18 may be reported in aggregate.

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

22 e. Other information which the state treasurer prescribes by
23 rule as necessary for the administration of this Act.

24 3. If the person holding property presumed abandoned is a

25 successor to other persons who previously held the property for
26 the owner, or if the holder has changed his name while holding
27 the property, he shall file with his report all prior known
28 names and addresses of each holder of the property.

29 4. The report shall be filed before November 1 of each year
30 as of June 30 next preceding, but the report of life insurance
31 corporations shall be filed before May 1 of each year as of
32 December 31 next preceding. The state treasurer may postpone the
33 reporting date upon written request by any person required to file
34 a report.

35 5. If the holder of property presumed abandoned under this
36 Act knows the whereabouts of the owner and if the owner's claim
37 has not been barred by the statute of limitations, the holder
38 shall, before filing the annual report, communicate with the
39 owner and take necessary steps to prevent abandonment from being
40 presumed. The holder shall exercise due diligence to ascertain
41 the whereabouts of the owner.

42 6. Verification, if made by a partnership, shall be executed
43 by a partner; if made by an unincorporated association or private
44 corporation, by an officer; and if made by a public corporation,
45 by its chief fiscal officer.

46 7. The initial report filed under this Act shall include all
47 items of property that would have been presumed abandoned if this
48 Act had been in effect during the ten (10) year period preceding
49 its effective date.

1 Sec. 12. Notice and Publication of Lists of Abandoned Property.

2 1. Within one hundred twenty (120) days from the filing of
3 the report required by section eleven (11) of this Act, the state
4 treasurer shall cause notice to be published at least once each
5 week for two (2) successive weeks in an english language news-
6 paper of general circulation in the county in this state in which
7 is located the last known address of any person to be named in
8 the notice. If no address is listed or if the address is outside
9 this state, the notice shall be published in the county in which
10 the holder of the abandoned property has his principal place of
11 business within this state.

12 2. The published notice shall be entitled "Notice of Names
13 of Persons Appearing to be Owner of Abandoned Property" and
14 shall contain:

15 a. The names in alphabetical order and last known addresses,
16 if any, of persons listed in the report and entitled to notice
17 within the county as hereinbefore specified.

18 b. A statement that information concerning the amount or
19 description of the property and the name and address of the
20 holder may be obtained by any persons possessing an interest in
21 the property by addressing an inquiry to the state treasurer.

22 c. A statement that if proof of claim is not presented by
23 the owner to the holder and if the owner's right to receive the
24 property is not established to the holder's satisfaction within
25 sixty-five (65) days from the date of the second published notice,
26 the abandoned property will be placed not later than eighty-five
27 (85) days after such publication date in the custody of the state
28 treasurer to whom all further claims must thereafter be directed.

29 3. The state treasurer is not required to publish in such
30 notice any item of less than twenty-five (25) dollars unless he
31 deems such publication to be in the public interest.

32 4. Within one hundred twenty (120) days from the receipt of
33 the report required by section eleven (11) of this Act, the state
34 treasurer shall mail a notice to each person having an address
35 listed therein who appears to be entitled to property of the
36 value of twenty-five (25) dollars or more presumed abandoned
37 under this Act.

38 5. The mailed notice shall contain:

39 a. A statement that, according to a report filed with the
40 state treasurer, property is being held to which the addressee
41 appears entitled.

42 b. The name and address of the person holding the property
43 and any necessary information regarding changes of name and
44 address of the holder.

45 c. A statement that, if satisfactory proof of claim is not
46 presented by the owner to the holder by the date specified in

47 the published notice, the property will be placed in the custody
48 of the state treasurer to whom all further claims must be directed.

49 6. This section is not applicable to sums payable on traveler's
50 checks or money orders presumed abandoned under section two (2)
51 of this Act.

1 Sec. 13. Payment or Delivery of Abandoned Property. Every
2 person who has filed a report under section eleven (11) of this
3 Act, within twenty (20) days after the time specified in section
4 twelve (12) of this Act for claiming the property from the holder,
5 or in the case of sums payable on traveler's checks or money orders
6 presumed abandoned under section two (2) of this Act within twenty
7 (20) days after the filing of the report, shall pay or deliver to
8 the state treasurer all abandoned property specified in this re-
9 port, except that, if the owner establishes his right to receive
10 the abandoned property to the satisfaction of the holder within
11 the time specified in section twelve (12) of this Act, or if it
12 appears that for some other reason the presumption of abandonment
13 is erroneous, the holder need not pay or deliver the property,
14 which will no longer be presumed abandoned, to the state treasurer,
15 but in lieu thereof shall file a verified written explanation of
16 the proof of claim or of the error in the presumption of abandon-
17 ment.

1 Sec. 14. Relief from Liability by Payment or Delivery. Upon
2 the payment or delivery of abandoned property to the state treas-
3 urer, the state shall assume custody and shall be responsible for
4 the safekeeping thereof. Any person who pays or delivers aban-
5 doned property to the state treasurer under this Act is relieved
6 of all liability to the extent of the value of the property so
7 paid or delivered for any claim which then exists or which there-
8 after may arise or be made in respect to the property. Any holder
9 who has paid moneys to the state treasurer pursuant to this Act
10 may make payment to any person appearing to such holder to be
11 entitled thereto, and upon proof of such payment and proof that
12 the payee was entitled thereto, the state treasurer shall forth-
13 with reimburse the holder for the payment.

1 Sec. 15. Income Accruing After Payment or Delivery. When
2 property is paid or delivered to the state treasurer under this
3 Act, the owner is not entitled to receive income or other incre-
4 ments accruing thereafter.

1 Sec. 16. Periods of Limitation Not a Bar. The expiration
2 of any period of time specified by statute or court order, during
3 which an action or proceeding may be commenced or enforced to
4 obtain payment of a claim for money or recovery of property,
5 shall not prevent the money or property from being presumed aban-
6 doned property, nor affect any duty to file a report required by
7 this Act or to pay or deliver abandoned property to the state
8 treasurer.

1 Sec. 17. Sale of Abandoned Property.

2 1. All abandoned property other than money delivered to the
3 state treasurer under this Act shall within one (1) year after
4 the delivery be sold by him to the highest bidder at public sale
5 in whatever city in the state affords in his judgment the most
6 favorable market for the property involved. The state treasurer
7 may decline the highest bid and reoffer the property for sale
8 if he considers the price bid insufficient. He need not offer
9 any property for sale if, in his opinion, the probable cost of
10 sale exceeds the value of the property.

11 2. Any sale held under this section shall be preceded by a
12 single publication of notice thereof at least three (3) weeks
13 in advance of sale in an english language newspaper of general
14 circulation in the county where the property is to be sold.

15 3. The purchaser at any sale conducted by the state treas-
16 urer pursuant to this Act shall receive title to the property
17 purchased, free from all claims of the owner or prior holder
18 thereof and of all persons claiming through or under them. The
19 state treasurer shall execute all documents necessary to com-
20 plete the transfer of title.

1 Sec. 18. Deposit of Funds.

2 1. All funds received under this Act, including the proceeds
3 from the sale of abandoned property under section seventeen (17)

4 of this Act, shall forthwith be deposited by the state treasurer
5 in the general funds of the state, except that the treasurer
6 shall retain in a separate trust fund an amount not exceeding
7 twenty-five thousand (25,000) dollars from which he shall make
8 prompt payment of claims duly allowed by him as hereinafter pro-
9 vided. Before making the deposit, he shall record the name and
10 last known address of each person appearing from the holders'
11 reports to be entitled to the abandoned property and of the name
12 and last known address of each insured person or annuitant, and
13 with respect to each policy or contract listed in the report of
14 a life insurance corporation, its number, the name of the corpo-
15 ration, and the amount due. The record shall be available for
16 public inspection at all reasonable business hours.

17 2. Before making any deposit to the credit of the general
18 funds, the state treasurer may deduct:

19 a. Any costs in connection with sale of abandoned property.

20 b. Any costs of mailing and publication in connection with
21 any abandoned property.

22 c. Reasonable service charges.

1 Sec. 19. Claim for Abandoned Property Paid or Delivered.

2 Any person claiming an interest in any property delivered to the
3 state under this Act may file a claim thereto or to the proceeds
4 from the sale thereof on the form prescribed by the state treas-
5 urer.

1 Sec. 20. Determination of Claims.

2 1. The state treasurer shall consider any claim filed under
3 this Act and may hold a hearing and receive evidence concerning
4 it. If a hearing is held, he shall prepare a finding and a de-
5 cision in writing on each claim filed, stating the substance of
6 any evidence heard by him and the reasons for his decision. The
7 decision shall be a public record.

8 2. If the claim is allowed, the state treasurer shall make
9 payment forthwith. The claim shall be paid without deduction
10 for costs of notices or sale or for service charges.

1 Sec. 21. Judicial Action upon Determinations. Any person

2 aggrieved by a decision of the state treasurer or as to whose
3 claim the treasurer has failed to act within ninety (90) days
4 after the filing of the claim, may commence an action in the
5 district court to establish his claim. The proceeding shall
6 be brought within ninety (90) days after the decision of the
7 treasurer or within one hundred eighty (180) days from the filing
8 of the claim if the treasurer fails to act. The action shall
9 be tried de novo without a jury.

1 Sec. 22. Election to Take Payment or Delivery. The state
2 treasurer, after receiving reports of property deemed abandoned
3 pursuant to this Act, may decline to receive any property re-
4 ported which he deems to have a value less than the cost of giv-
5 ing notice and holding sale, or he may, if he deems it desirable
6 because of the small sum involved, postpone taking possession
7 until a sufficient sum accumulates. Unless the holder of the
8 property is notified to the contrary within one hundred twenty
9 (120) days after filing the report required under section eleven
10 (11) of this Act, the state treasurer shall be deemed to have
11 elected to receive the custody of the property.

1 Sec. 23. Examination of records. The auditor of state may
2 at reasonable times and upon reasonable notice examine the records
3 of any person if he has reason to believe that such person has
4 failed to report property that should have been reported pursuant
5 to this Act.

1 Sec. 24. Proceeding to Compel Delivery of Abandoned Property.
2 If any person refuses to deliver property to the state treasurer
3 as required under this Act, the treasurer shall bring an action
4 in a court of appropriate jurisdiction to enforce such delivery.

1 Sec. 25. Penalties.

2 1. Any person who wilfully fails to render any report or per-
3 form other duties required under this Act, shall be punished by
4 a fine of twenty-five (25) dollars for each day such report is
5 withheld, but not more than five hundred (500) dollars.

6 2. Any person who wilfully refuses to pay or deliver aban-
7 doned property to the state treasurer as required under this Act

8 shall be punished by a fine of not less than five hundred (500)
9 dollars nor more than one thousand (1,000) dollars, or imprison-
10 ment for not more than six (6) months, or both, in the discretion
11 of the court.

1 Sec. 26. Rules and Regulations. The state treasurer is hereby
2 authorized to make necessary rules and regulations to carry out
3 the provisions of this Act.

1 Sec. 27. Effect of Laws of Other States. This Act shall not
2 apply to any property that has been presumed abandoned or es-
3 cheated under the laws of another state prior to the effective
4 date of this Act.

1 Sec. 28. Severability. If any provision of this Act or the
2 application thereof to any person or circumstances is held invalid,
3 the invalidity shall not affect other provisions or applications
4 of the Act which can be given effect without the invalid pro-
5 visions or application, and to this end the provisions of this
6 Act are severable.

1 Sec. 29. Uniformity of Interpretation. This Act shall be so
2 construed as to effectuate its general purpose to make uniform
3 the law of those states which enact it.

1 Sec. 30. Short Title. This Act may be cited as the Uniform
2 Disposition of Unclaimed Property Act.

1 Sec. 31. Sections six hundred eighty-two point thirty-nine
2 (682.39) through six hundred eighty-two point forty-four (682.44),
3 Code 1966, are hereby repealed.

EXPLANATION

"Uniform and comprehensive state legislation dealing with the dis-
position of unclaimed property should fill a very real need. Present
statutory provisions on the subject are exceedingly diverse in char-
acter and are often not well formulated. Most states already have
statutes dealing with the disposition of unclaimed tangible personal
property, the abandonment of which is a more or less obvious fact.
In addition, a considerable number of states have statutes dealing
with the disposition of unclaimed bank deposits. However, at the
time the original Uniform Disposition of Unclaimed Property Act was
approved by the National Conference of Commissioners on Uniform State

Laws in 1954, only ten states had adopted really comprehensive legislation covering the entire field of unclaimed property. They were: Arkansas, Connecticut, Kentucky, Massachusetts, Michigan, New Jersey, New York, North Carolina, Oregon, and Pennsylvania. However, several other states manifested interest in adopting comprehensive legislation on the subject. In order to provide the states with an act that would promote a fair and adequate treatment of the subject, the Conference drafted and, in 1954, approved the Uniform Disposition of Unclaimed Property Act. This Act was subsequently adopted in Arizona, California, Florida, Idaho, Illinois, Montana, New Mexico, Oregon, Utah, Virginia, Washington, and West Virginia.

.....

The Uniform Act is custodial in nature--that is to say, it does not result in the loss of the owner's property rights. The state takes custody and remains the custodian in perpetuity. Although the actual possibility of his presenting a claim in the distant future is not great, the owner retains his right of presenting his claim at any time, no matter how remote. State records will have to be kept on a permanent basis. In this respect the measure differs from the escheat type of statute, pursuant to which the right of the owner is foreclosed and the title to the property passes to the state. Not only does the custodial type of statute more adequately preserve the owner's interests, but, in addition, it makes possible a substantial simplification of procedure.

The Act, which consists of thirty-two sections, commences with the usual section on definitions. This is followed by sections 2 through 9 devoted to defining and describing the circumstances under which various classes of property are to be presumed abandoned under the Act. Separate sections deal with property held or owing by banks or other financial organizations, insurance corporations, public utilities, other business associations, trustees in corporate dissolution proceedings, fiduciaries, and state courts and other public agencies. Section 9 is an omnibus section covering all other items held or owing "in the ordinary course of the holder's business." Thereafter comes section 10 which may be regarded as a key section in the Act, for it contains the provisions which preclude the possibility of multiple liability being imposed upon the holder of unclaimed property who happens to be subject to the jurisdiction of two or more states. The remaining sections, 11 through 32, deal principally with procedural matters, including the reporting of unclaimed property, the giving of notice to owners, payment into the custody of the state and various provisions pursuant to which the owner may subsequently present his claim to the state and recover his property.

The Uniform Disposition of Unclaimed Property Act, if adopted by the states, will serve to protect the interests of owners, to relieve the holders from annoyance, expense and liability, to preclude multiple liability and to give the adopting state the use of some considerable sums of money that otherwise would, in effect, become a windfall to the holders thereof."

1 Amend House File 101 as follows:
2 1. Amend Section 1 by striking the comma in line
3 six (6).
4 2. Amend Section 2 as follows:
5 a. By striking in lines eight (8), twenty (20),
5 thirty-five (35), thirty-nine (39) and fifty-one (51) the
6 word "seven (7)" and inserting in lieu thereof the word
7 "ten (10)".
8 b. By adding after the period in line fifteen (15)
9 the following: "Such memorandum shall be dated and may have
10 been prepared by the banking organization, in which case it
11 shall be signed by an official of the bank, or it may have
12 been prepared by the owner."
13 c. By adding after the period in line twenty-eight
14 (28) the following: "Such memorandum shall be dated and may
15 have been prepared by the financial organization, in which
16 case it shall be signed by an officer of the financial
17 organization, or it may have been prepared by the owner."
18 d. By adding after the period in line forty-four (44)
19 the following: "Such memorandum shall be dated and may have
20 been prepared by the banking or financial organization or
21 business association, in which case it shall be signed by
22 an officer of the banking or financial organization, or a
23 member of the business association, or it may have been
24 prepared by the owner."
25 3. Amend Section 3 by striking in lines fifteen (15) and
26 twenty-four (24) the word "seven (7)" and inserting in lieu
27 thereof the word "ten (10)".
28 4. Amend Section 5 by striking in line eight (8) the
29 word "seven (7)" and inserting in lieu thereof the word
30 "ten (10)".
31 5. Amend Section 7 as follows:
32 a. By striking in line four (4) the word "seven (7)"
33 and inserting in lieu thereof the word "ten (10)".
34 b. By adding in line eight (8) before the colon the
35 words "which shall have been dated and may have been prepared
36 by the fiduciary or by the owner".
37 6. Amend Section 8 by striking in line five (5) the word
38 "seven (7)" and inserting in lieu thereof the word "ten (10)".
39 7. Amend Section 9 by striking in line six (6) the word
40 "seven (7)" and inserting in lieu thereof the word "ten (10)".
41 8. Amend Section 12 by inserting after the word
42 "the" in line two (2) the words "final date for".

Filed - *Adopted 4-17*
March 15, 1967

By COMMITTEE ON COMMERCE. *Hous*

1 Amend House File 101 as follows:
2 1. By inserting following the word "deposit" in line
3 three (3), subsection one (1) of section four (4) the follow-
4 ing words "in excess of fifty (50) dollars".
5 2. Further amend by inserting following the word "sum" in
6 line four (4) of subsection one (1), section four (4) the
7 following words: "in excess of fifty (50) dollars".
8 3. Further amend by inserting following the word "sum" in
9 line ten (10) subsection two (2) of section four (4) the fol-
10 lowing: "in excess of fifty (50) dollars".

Filed - *Adopted 5-22*
May 18, 1967

House concurred
5-25-67

By LANGE, REPERT, and BENDA *Senate*

1 Amend House File 101 by striking section eighteen (18) and
2 substituting the following therefor:
3 "Sec. 18. All funds received under this Act, including the
4 proceeds from the sale of abandoned property under section
5 seventeen (17) of this Act, shall be deposited as follows:
6 1. The first two hundred fifty thousand dollars (\$250,000.00)
7 in a separate fund hereby created in the office of the state
treasurer
8 to be known as the Unclaimed Property Trust Fund from which
9 the state treasurer shall make prompt payment of claims allowed
10 by him as provided by sections nineteen (19) and twenty (20) of
this
11 Act. The state treasurer may invest all but twenty-five thousand
12 dollars (\$25,000.00) of this fund in accordance with the provi-
sions
13 of section four hundred fifty-two point ten (452.10) of the Code.
14 As of January first of each year, the state treasurer shall
deposit
15 any excess in this fund above two hundred fifty thousand dollars
16 (\$250,000.00) to the Unclaimed Property Fund.
17 2. The remainder of said proceeds in a fund hereby created
18 in the office of the state treasurer to be known as the Unclaimed
19 Property Fund which fund shall be available, at the direction of
20 the Iowa development commission, for investment in the preferred
21 stock of development corporations organized pursuant to the Iowa
22 development act in such amounts and upon such terms and con-
23 ditions as shall be so directed and approved. The state treasurer
24 may invest any of such fund not so invested in accordance with the
25 provisions of section four hundred fifty-two point ten (452.10) of
26 the Code. Provided that five hundred thousand dollars (\$500,000.00)
27 of said fund shall be always available on ninety (90) days call.
When-
28 ever the balance in said fund, including the principal invested
and
29 accumulated interest, shall exceed two million dollars
(\$2,000,000.00)
30 as of January first in any year, such excess funds shall first be
31 deposited to replace any shortage in the Unclaimed Property Trust
32 Fund and the remainder, if any, deposited in the Moneys and Credits
33 Tax Replacement Fund or otherwise deposited for local property
34 tax replacement at the direction of the executive council. Before
35 making any such deposits, the state treasurer shall record the
36 and last known address of each person appearing from the holders'
37 reports to be entitled to the abandoned property and of the name
and
38 last known address of each insured person or annuitant, with
respect
39 to each policy or contract listed in the report of a life insurance
40 corporation, its number, the name of the corporation, and the
41 amount due. The records shall be available for public inspection
42 at all reasonable business hours."
43 Further amend House File 101 by adding the following new
44 section thereto:
45 "Sec. 32. Section four hundred ninety-six B point six (496B.6)
46 is amended by adding thereto:
7 '7. To issue preferred stock when authorized by the Iowa
48 development commission, upon such terms and conditions as
49 may be so authorized, for purchase by the Unclaimed Property
50 Fund in the office of the state treasurer.'"

Filed - Ruled non-jurament 5-22

May 18, 1967

By BENDA