

COMMERCE: Jensen, Chair; Holden and Hutchins

MAR 27 1985

Place On Calendar

HOUSE FILE 740

BY COMMITTEE ON SMALL
BUSINESS AND COMMERCE

(Formerly House Study Bill 60)

Passed House, Date 4-2-85 (p. 1255) Passed Senate, Date 4-22-85 (p. 1570)

Vote: Ayes 95 Nays 4 Vote: Ayes 46 Nays 1

Approved May 30, 1985

Senate Amend (p. 1307) w/d 46

*Referred House 4-26-85 (p. 1273)
91.0*

A BILL FOR

- 1 An Act relating to the abandonment of funds or a deposit in
- 2 a banking or financial organization.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HOUSE FILE 740

H-3578

- 1 Amend House File 740 as follows:
- 2 1. Page 1, by inserting before line 1 the
- 3 following:
- 4 "Sec. ____ . Section 556.2, subsection 1, unnumbered
- 5 paragraph 1, Code 1985, is amended to read as follows:
- 6 1. Any demand, savings, or matured time deposit
- 7 made in this state with a banking organization,
- 8 together with any interest or dividend, excluding any
- 9 charges that may lawfully be withheld, unless the
- 10 owner has, within five ten years:".
- 11 2. Page 1, by inserting after line 9 the
- 12 following:
- 13 "Sec. ____ . Section 556.2, subsection 2, unnumbered
- 14 paragraph 1, Code 1985, is amended to read as follows:
- 15 2. Any funds paid in this state toward the
- 16 purchase of shares or other interest in a financial
- 17 organization or any deposit made in this state, and
- 18 any interest or dividends, excluding any charges that
- 19 may lawfully be withheld, unless the owner has within
- 20 five ten years:".
- 21 3. Renumber as necessary.

H-3578 FILED APRIL 1, 1985 BY ROSENBERG of Story

w/d 4/2 (p. 1254)

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1 Section 1. Section 556.2, subsection 1, Code 1985, is
2 amended by adding the following new lettered paragraph:

3 NEW LETTERED PARAGRAPH. e. Been sent any written
4 correspondence, notice or information by first class mail
5 regarding the deposit by the banking organization on or after
6 the effective date of this Act, if the correspondence, notice
7 or information is not returned to the bank organization for
8 nondelivery and if the bank organization maintains a record of
9 all returned mail.

10 Sec. 2. Section 556.2, subsection 2, Code 1985, is amended
11 by adding the following new lettered paragraph:

12 NEW LETTERED PARAGRAPH. e. Been sent any written
13 correspondence, notice or information by first class mail
14 regarding the funds or deposits by the financial organization
15 on or after the effective date of this Act, if the
16 correspondence, notice or information is not returned to the
17 financial organization for nondelivery and if the financial
18 organization maintains a record of all returned mail.

19 Sec. 3. Section 556.2, Code 1985, is amended by adding the
20 following new subsections:

21 NEW SUBSECTION. 5. A banking organization or financial
22 organization which charges a special fee against accounts
23 described in subsection 1 or subsection 2 because the account
24 is deemed to be dormant or inactive shall send to the owner by
25 certified mail a notice stating the reason for and the amount
26 of the special fee. The notice shall be sent no later than
27 thirty days prior to the assessment of the special fee against
28 the account. If the notice is returned for nondelivery, the
29 account is presumed abandoned. The notice required in this
30 subsection is a different notice than the one required in
31 subsection 7.

32 NEW SUBSECTION. 7. A banking organization or financial
33 organization shall during each calendar year send to the owner
34 of each account, to which none of the actions specified in
35 paragraphs "a" through "d" of subsection 1 or "a" through "d"

1 of subsection 2 have occurred during the preceding two
2 calendar years, a notice by first class mail stating in
3 substance the following: "According to our records, we have
4 had no contact with you regarding (describe account) for more
5 than _____ years. Under Iowa law, if there is a period of
6 five years without contact, we may be required to pay this to
7 the state of Iowa as unclaimed property. You may prevent this
8 by taking some action, such as a deposit or withdrawal, which
9 indicates your interest in this account or by signing this
10 form and returning it to us.

11 I desire to keep the above account open and active.

12

YOUR SIGNATURE"

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EXPLANATION

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15 This bill provides that a deposit or fund in a bank or
16 financial organization is not presumed to be abandoned by the
17 owner if the owner has been sent written correspondence by
18 first class mail regarding the deposit or funds by the banking
19 or financial organization on or after the effective date of
20 the Act if the correspondence is not returned for nondelivery
21 and if the banking or financial organization maintains a
22 record of all returned correspondence.

23 The bill also requires that if the banking or financial
24 organization charges a special fee against accounts because
25 they are deemed dormant or inactive, then the organization
26 shall send the owner of such an account by certified mail a
27 notice stating the reason for and amount of the fee. The bill
28 requires that in addition a banking or financial organization
29 shall each year send the owner of an account, regarding which
30 certain activities have not taken place for at least two
31 calendar years, a notice stating that the account is in danger
32 of becoming an abandoned account and advising the owner how to
33 avoid the abandonment of the account.

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SENATE AMENDMENT TO HOUSE FILE 740

H-4004

1 Amend House File 740 as passed by the House as
2 follows:

3 1. By striking page 1, line 20 through page 2,
4 line 13 and inserting the following: "following new
5 subsection:

6 NEW SUBSECTION. 6. A banking organization or
7 financial organization shall send to the owner of each
8 account, to which none of the actions specified in
9 paragraphs "a" through "d" of subsection 1 or "a"
10 through "d" of subsection 2 have occurred during the
11 preceding five calendar years, a notice by certified
12 mail stating in substance the following:

13 "According to our records, we have had no contact
14 with you regarding (describe account) for more than
15 five years. Under Iowa law, if there is a period of
16 five years without contact, we may be required to
17 transfer this account to the custody of the treasurer
18 of state of Iowa as unclaimed property. You may
19 prevent this by taking some action, such as a deposit
20 or withdrawal, which indicates your interest in this
21 account or by signing this form and returning it to
22 us.

23 I desire to keep the above account open and active.

24

25

YOUR SIGNATURE

26 The notice required under this section shall be
27 mailed within thirty days of the lapse of the five-
28 year period in which there is no activity. The cost
29 of the certified mail of the notice required in this
30 section may be deducted from the account by the
31 banking or financial organization."

H-4004 FILED APRIL 24, 1985

RECEIVED FROM THE SENATE

House concurred 4/26/85 (p 1782)

1 Amend House File 740 as passed by the House as
 2 follows:
 3 1. Page 1, line 25, by striking the word
 4 "certified" and inserting the word "ordinary".
 5 2. Page 1, line 29, by striking the words
 6 "account is presumed abandoned" and inserting the
 7 following: "provisions of subsection 1, paragraph
 8 "e", and subsection 2, paragraph "e", of this section
 9 shall apply".

S-3688 Filed April 10, 1985

By COMMITTEE ON COMMERCE

Adopted as amended by 3755A 4/17/85
o/c 4/22 (p. 1570) (p. 1451)

S-3755

HOUSE FILE 740

1 Amend S-3688 to House File 740 as passed by the
 2 House as follows:

A 3 1. Page 1, line 4, by striking the word
 4 "ordinary" and inserting the following: "first
 5 class".

6 2. Page 1, by inserting after line 9 the
 7 following:

B 8 "____". Page 2, line 2, by inserting after the word
 9 "years," the following: "a self-addressed postpaid
 10 envelope and".

11 "____". Page 2, line 10, by inserting after the word
 12 "us" the following: "in the enclosed postpaid
 13 envelope".

14 3. Renumber as necessary.

S-3755 Filed April 15, 1985

By JENSEN & DELUHERY

A-Adopted; B-Read 4/17 (p. 1451)

S-3802

HOUSE FILE 740

1 Amend House File 740 as passed by the House as
 2 follows:
 3 1. Page 1, by striking lines 22 through 31 and
 4 inserting the following: "organization shall not
 5 charge a fee against an account on deposit with the
 6 organization if there has been no activity in the
 7 account for at least twelve consecutive months."

S-3802 Filed April 17, 1985

By GRONSTAL

o/c 4/22 (p. 1570)

1 Amend House File 740 as passed by the House as
2 follows:
3 1. By striking page 1, line 20 through page 2,
4 line 13 and inserting the following: "following new
5 subsection:
6 NEW SUBSECTION. 6. A banking organization or
7 financial organization shall send to the owner of each
8 account, to which none of the actions specified in
9 paragraphs "a" through "d" of subsection 1 or "a"
10 through "d" of subsection 2 have occurred during the
11 preceding five calendar years, a notice by certified
12 mail stating in substance the following:
13 "According to our records, we have had no contact
14 with you regarding (describe account) for more than
15 five years. Under Iowa law, if there is a period of
16 five years without contact, we may be required to
17 transfer this account to the custody of the treasurer
18 of state of Iowa as unclaimed property. You may
19 prevent this by taking some action, such as a deposit
20 or withdrawal, which indicates your interest in this
21 account or by signing this form and returning it to
22 us.
23 I desire to keep the above account open and active.
24
25 YOUR SIGNATURE
26 The notice required under this section shall be
27 mailed within thirty days of the lapse of the five-
28 year period in which there is no activity. The cost
29 of the certified mail of the notice required in this
30 section may be deducted from the account by the
31 banking or financial organization."

S-3860 Filed April 18, 1985
Adopted 4/22/85 (p 1564)

By GRONSTAL

Handwritten notes:
from
H.C.
746

HSB 60

SMALL BUSINESS AND COMMERCE

~~HOUSE FILE~~ _____

~~BY~~ _____

Study Bill 60

Small Business and Commerce: McIntee. Chair: Hatch and Kremer.

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the abandonment of funds or a deposit in
2 a banking or financial organization.

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

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1 Section 1. Section 556.2, subsection 1, Code 1985, is
2 amended by adding the following new lettered paragraph:

3 NEW LETTERED PARAGRAPH. e. Been sent any written
4 correspondence regarding the deposit by the banking or-
5 ganization on or after the effective date of this Act, if the
6 correspondence is not returned to the bank organization for
7 nondelivery and if the bank organization maintains a record of
8 all returned correspondence. If the correspondence is
9 returned for nondelivery, the deposit is presumed abandoned
10 unless within five years after the return the owner undertakes
11 at least one of the activities specified in paragraphs "a"
12 through "d".

13 Sec. 2. Section 556.2, subsection 2, Code 1985, is amended
14 by adding the following new lettered paragraph:

15 NEW LETTERED PARAGRAPH. e. Been sent any written
16 correspondence regarding the funds or deposit by the financial
17 organization on or after the effective date of this Act, if
18 the correspondence is not returned to the financial
19 organization for nondelivery and if the financial organization
20 maintains a record of all returned correspondence. If the
21 correspondence is returned for nondelivery, the funds or
22 deposit is presumed abandoned unless within five years after
23 the return the owner undertakes at least one of the activities
24 specified in paragraphs "a" through "d".

25 EXPLANATION

26 This bill provides that a deposit or fund in a bank or
27 financial organization is not presumed to be abandoned by the
28 owner if the owner has been sent written correspondence
29 regarding the deposit or funds by the banking or financial
30 organization on or after the effective date of the Act if the
31 correspondence is not returned for nondelivery and if the
32 banking or financial organization maintains a record of all
33 returned correspondence. If the correspondence is returned
34 for nondelivery, the funds or deposit is presumed abandoned
35 unless within five years after the return the owner undertakes

1 certain action regarding the deposit or funds or with the
2 banking or financial organization.

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HOUSE FILE 740

AN ACT

RELATING TO THE ABANDONMENT OF FUNDS OR A DEPOSIT IN A BANKING OR FINANCIAL ORGANIZATION.

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

Section 1. Section 556.2, subsection 1, Code 1985, is amended by adding the following new lettered paragraph: NEW LETTERED PARAGRAPH. e. Been sent any written correspondence, notice or information by first class mail regarding the deposit by the banking organization on or after the effective date of this Act, if the correspondence, notice or information is not returned to the bank organization for nondelivery and if the bank organization maintains a record of all returned mail.

Sec. 2. Section 556.2, subsection 2, Code 1985, is amended by adding the following new lettered paragraph:

NEW LETTERED PARAGRAPH. e. Been sent any written correspondence, notice or information by first class mail regarding the funds or deposits by the financial organization on or after the effective date of this Act, if the correspondence, notice or information is not returned to the financial organization for nondelivery and if the financial organization maintains a record of all returned mail.

Sec. 3. Section 556.2, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 6. A banking organization or financial organization shall send to the owner of each account, to which none of the actions specified in paragraphs "a" through "d" of subsection 1 or "a" through "d" of subsection 2 have occurred during the preceding five calendar years, a notice by certified mail stating in substance the following:

"According to our records, we have had no contact with you regarding (describe account) for more than five years. Under Iowa law, if there is a period of five years without contact, we may be required to transfer this account to the custody of

the treasurer of state of Iowa as unclaimed property. You may prevent this by taking some action, such as a deposit or withdrawal, which indicates your interest in this account or by signing this form and returning it to us.

I desire to keep the above account open and active.

YOUR SIGNATURE"

The notice required under this section shall be mailed within thirty days of the lapse of the five-year period in which there is no activity. The cost of the certified mail of the notice required in this section may be deducted from the account by the banking or financial organization.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 740, Seventy-first General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved May 30, 1985

TERRY E. BRANSTAD
Governor

H.F. 740