

House State Court -
Amend & DO PASS/H-3906, 4-6-89 (P.1407)

FILED MAR 09 1989

SENATE FILE **407**
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 311)

Passed Senate, Date 3-20-89 (p.896) Passed House, Date 4-13-89 (p.1551)
Vote: Ayes 49 Nays 0 Vote: Ayes 92 Nays 0

Approved June 1, 1989

Senate repassed 4-18-89 (p.1521)

AY 43 NAYS 0 A BILL FOR

1 An Act relating to unclaimed intangible personal property by
2 providing for the treatment of claims in the course of the
3 dissolution of a corporation in the same manner as unclaimed
4 property held by a court or by the state and by altering
5 certain aspects of claim administration, distribution of
6 moneys, and other matters properly related with the
7 disposition of unclaimed personal property and procedures
8 related thereto.

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

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SF 407

1 Section 1. Section 496A.101, subsection 1, Code 1989, is
2 amended to read as follows:

3 1. Upon the voluntary or involuntary dissolution of a
4 corporation the portion of the assets distributable to a
5 creditor or shareholder who is unknown, or who is under
6 disability and there is no person legally competent to receive
7 such distributive portion, or who cannot be found after the
8 exercise of reasonable diligence by the person or persons
9 responsible for the distribution in liquidation of the
10 corporation's assets, shall be reduced to cash and deposited
11 with the state treasurer of state, together with a statement
12 ~~giving the name of the person, if known, entitled to such~~
13 ~~fund, that person's last known address, the amount of that~~
14 ~~person's distributive portion, and such other information~~
15 ~~about such person as the state treasurer may reasonably~~
16 ~~require,~~ pursuant to section 556.6 and be accompanied by a
17 form prescribed by the treasurer of state, whereupon the
18 person or persons responsible for the distribution in
19 liquidation of the corporation's assets shall be released and
20 discharged from any further liability with respect to the
21 funds so deposited. The state treasurer of state shall issue
22 the state treasurer's receipt for such fund and shall deposit
23 ~~same in a special account to be maintained by the state~~
24 treasurer the moneys deposited.

25 Sec. 2. Section 496A.101, subsection 2, Code 1989, is
26 amended by striking the subsection and inserting in lieu
27 thereof the following:

28 2. Claims for ownership or right to the moneys after they
29 have been remitted to the treasurer of state shall be filed
30 pursuant to chapter 556.

31 Sec. 3. Section 496A.101, Code 1989, is amended by adding
32 the following new subsection:

33 NEW SUBSECTION. 3. Moneys deposited with the treasurer of
34 state pursuant to this section before the effective date of
35 this Act and deposited in the special account shall be

1 transferred to the unclaimed property trust fund created by
2 section 556.18 and are subject to the reversion requirements
3 of that section.

4 Sec. 4. Section 556.8, Code 1989, is amended to read as
5 follows:

6 556.8 PROPERTY HELD BY STATE COURTS AND PUBLIC OFFICERS
7 AND AGENCIES.

8 All intangible personal property held for the owner by any
9 court, public corporation, public authority, agency,
10 instrumentality, employee, or public officer of this state, or
11 the United States, or a political subdivision of the state,
12 another state, or the United States, that has remained
13 unclaimed by the owner for more than two years after becoming
14 payable or distributable is presumed abandoned.

H-390 15 Sec. 5. Section 556.11, unnumbered paragraph 1, Code 1989,
16 is amended to read as follows:

17 All agreements to pay compensation to recover or assist in
18 the recovery of property reported under this section, made
19 within twenty-four months after the date payment or delivery
20 is made under section 556.13 are unenforceable. However, such
21 agreements made after twenty-four months from the date of
22 payment or delivery are valid if the fee or compensation
23 agreed upon is not more than ten percent of the recoverable
24 property, the agreement is in writing and signed by the owner,
25 and the writing discloses the nature and value of the property
26 and the name and address of the person in possession. This
27 section does not prevent an owner from asserting, at any time,
28 that an agreement to locate property is based upon excessive
29 or unjust consideration.

30 Sec. 6. Section 556.18, subsection 1, Code 1989, is
31 amended to read as follows:

32 1. Except as provided in subsection 3, all funds received
33 under this chapter, including the proceeds from the sale of
34 abandoned property under section 556.17, shall be deposited
35 monthly by the treasurer of state in the general funds fund of

1 the state. However, the treasurer of state shall retain in a
2 separate trust fund an amount not exceeding one two hundred
3 thousand dollars from which the treasurer of state shall make
4 prompt payment of claims duly allowed under section 556.20.
5 Before making the deposit, the treasurer of state shall record
6 the name and last known address of each person appearing from
7 the holders' reports to be entitled to the abandoned property
8 and of the name and last known address of each insured person
9 or annuitant, and with respect to each policy or contract
10 listed in the report of a life insurance corporation, its
11 number, the name of the corporation, and the amount due. The
12 record shall be available for public inspection at all
13 reasonable business hours.

14 Sec. 7. Section 602.8105, subsection 4, Code 1989, is
15 amended by striking the subsection and inserting in lieu
16 thereof the following:

17 4. The clerk shall pay to the treasurer of state all fees
18 which have come into the clerk's possession and which are
19 unclaimed pursuant to section 556.8 accompanied by a form
20 prescribed by the treasurer. Claims for payment of the moneys
21 must be filed pursuant to chapter 556.

22 Sec. 8. UNCLAIMED FEES IN DISTRICT COURT. Moneys remitted
23 to the treasurer of state pursuant to section 602.8105,
24 subsection 4, before the effective date of this Act shall be
25 transferred to the unclaimed property trust fund created by
26 section 556.18 and are subject to the reversion requirements
27 of that section.

28 EXPLANATION

29 The first portion of this bill provides for the handling of
30 corporate property upon dissolution in the same manner as
31 property held by state courts and public officers and agencies
32 under section 556.8.

33 Section 1 replaces the current corporate dissolution
34 reporting requirement under chapter 496A with that used under
35 section 556.6 for property held by state courts and officials.

1 Section 2 requires claims for ownership or rights to
2 corporate moneys or property to be centrally filed with the
3 treasurer of state.

4 Section 3 governs moneys deposited with the treasurer of
5 state before the effective date of the bill, and requires
6 their transfer to the unclaimed property trust fund created
7 under section 556.18.

8 Section 4 adds a presumption of abandonment under section
9 556.8 for all intangible personal property held by the
10 treasurer, court, or other public agency for more than two
11 years after becoming payable or claimable without being
12 claimed.

13 Section 5 permits certain agreements to pay compensation to
14 recover or assist in the recovery of property held by the
15 state, and limits the maximum percentage of recovery which can
16 be paid in compensation.

17 Section 6 expands the size of the permissible trust fund
18 under section 556.18, from one hundred thousand dollars to two
19 hundred thousand dollars and requires that proceeds from the
20 sale of abandoned property be deposited by the treasurer of
21 state into the general fund of the state on a monthly basis.

22 Section 7 requires a clerk of the district court to pay to
23 the treasurer of state all fees which have come into the
24 clerk's possession which are unclaimed property pursuant to
25 section 556.8.

26 Section 8 requires that moneys remitted to the treasurer of
27 state by the clerks of the district court before the effective
28 date of the bill are to be transferred to the unclaimed
29 property trust fund and are subject to reversion to the
30 general fund.

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SENATE FILE 407

H-3906

- 1 Amend Senate File 407, as passed by the Senate, as
2 follows:
3 1. Page 2, by striking lines 15 through 29.
4 2. By renumbering as necessary.

By COMMITTEE ON STATE GOVERNMENT
BLANSHAN of Greene, Chairperson

H-3906 FILED APRIL 7, 1989

Adopted 4-13-89 (p. 1551)

SENATE FILE 407

H-3983

- 1 Amend the amendment, H-3906, to Senate File 407, as
2 passed by the Senate, as follows:
3 1. Page 1, by striking lines 3 and 4 and insert-
4 ing the following:
5 "____. Page 2, line 23, by striking the word "ten"
6 and inserting the following: "fifteen".
7 _____. Page 2, line 29, by inserting after the word
8 "consideration." the following: "This section does
9 not apply to an owner who has a bona fide fee contract
10 with a practicing attorney and counselor as described
11 in chapter 602, article 10."
12 2. By numbering and renumbering as necessary.

By LUNDBY of Linn

H-3983 FILED APRIL 12, 1989

Adopted 4-13-89 (p. 1551)

HOUSE AMENDMENT TO
SENATE FILE 407

S-3715

1 Amend Senate File 407, as passed by the Senate, as
2 follows:

3 1. Page 2, line 23, by striking the word "ten"
4 and inserting the following: "fifteen".

5 2. Page 2, line 29, by inserting after the word
6 "consideration." the following: "This section does
7 not apply to an owner who has a bona fide fee contract
8 with a practicing attorney and counselor as described
9 in chapter 602, article 10."

RECEIVED FROM THE HOUSE

S-3715 FILED APRIL 17, 1989

Senate concurred 4-18-89 (p.1521)

CARR, CH.
DRAKE
LLOYD-JONES

SSB 311

STATE GOVERNMENT

SENATE FILE 407
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL)

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

A BILL FOR

1 An Act relating to unclaimed intangible personal property by
2 providing for the treatment of claims in the course of the
3 dissolution of a corporation in the same manner as unclaimed
4 property held by a court or by the state and by altering
5 certain aspects of claim administration, distribution of
6 moneys, and other matters properly related with the
7 disposition of unclaimed personal property and procedures
8 related thereto.

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5 creditor or shareholder who is unknown, or who is under
6 disability and there is no person legally competent to receive
7 such distributive portion, or who cannot be found after the
8 exercise of reasonable diligence by the person or persons
9 responsible for the distribution in liquidation of the
10 corporation's assets, shall be reduced to cash and deposited
11 with the state treasurer of state, ~~together-with-a-statement~~
12 ~~giving-the-name-of-the-person,-if-known,-entitled-to-such~~
13 ~~fund,-that-person's-last-known-address,-the-amount-of-that~~
14 ~~person's-distributive-portion,-and-such-other-information~~
15 ~~about-such-person-as-the-state-treasurer-may-reasonably~~
16 ~~require,~~ pursuant to section 556.6 and be accompanied by a
17 form prescribed by the treasurer of state, whereupon the
18 person or persons responsible for the distribution in
19 liquidation of the corporation's assets shall be released and
20 discharged from any further liability with respect to the
21 funds so deposited. The state treasurer of state shall issue
22 the state treasurer's receipt for ~~such-fund-and-shall-deposit~~
23 ~~same-in-a-special-account-to-be-maintained-by-the-state~~
24 ~~treasurer~~ the moneys deposited.

25 Sec. 2. Section 496A.101, subsection 2, Code 1989, is
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27 thereof the following:

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29 have been remitted to the treasurer of state shall be filed
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34 state pursuant to this section before the effective date of
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3 of that section.

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11 the United States, or a political subdivision of the state,
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22 or delivery are valid if the fee or compensation agreed upon
23 is not more than ten percent of the recoverable property, the
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25 writing discloses the nature and value of the property and the
26 name and address of the person in possession. This section
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1 the state. However, the treasurer of state shall retain in a
2 separate trust fund an amount not exceeding one two hundred
3 thousand dollars from which the treasurer of state shall make
4 prompt payment of claims duly allowed under section 556.20.
5 Before making the deposit, the treasurer of state shall record
6 the name and last known address of each person appearing from
7 the holders' reports to be entitled to the abandoned property
8 and of the name and last known address of each insured person
9 or annuitant, and with respect to each policy or contract
10 listed in the report of a life insurance corporation, its
11 number, the name of the corporation, and the amount due. The
12 record shall be available for public inspection at all
13 reasonable business hours.

14 Sec. 7. Section 602.8105, subsection 4, Code 1989, is
15 amended by striking the subsection and inserting in lieu
16 thereof the following:

17 4. The clerk shall pay to the treasurer of state all fees
18 which have come into the clerk's possession and which are
19 unclaimed pursuant to section 556.8 accompanied by a form
20 prescribed by the treasurer. Claims for payment of the moneys
21 must be filed pursuant to chapter 556.

22 Sec. 8. UNCLAIMED FEES IN DISTRICT COURT. Moneys remitted
23 to the treasurer of state pursuant to section 602.8105,
24 subsection 4, before the effective date of this Act shall be
25 transferred to the unclaimed property trust fund created by
26 section 556.18 and are subject to the reversion requirements
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28 date of the bill are to be transferred to the unclaimed
29 property trust fund and are subject to reversion to the
30 general fund.

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SENATE FILE 407

AN ACT

RELATING TO UNCLAIMED INTANGIBLE PERSONAL PROPERTY BY PROVIDING FOR THE TREATMENT OF CLAIMS IN THE COURSE OF THE DISSOLUTION OF A CORPORATION IN THE SAME MANNER AS UNCLAIMED PROPERTY HELD BY A COURT OR BY THE STATE AND BY ALTERING CERTAIN ASPECTS OF CLAIM ADMINISTRATION, DISTRIBUTION OF MONEYS, AND OTHER MATTERS PROPERLY RELATED WITH THE DISPOSITION OF UNCLAIMED PERSONAL PROPERTY AND PROCEDURES RELATED THERETO.

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

Section 1. Section 496A.101, subsection 1, Code 1989, is amended to read as follows:

1. Upon the voluntary or involuntary dissolution of a corporation the portion of the assets distributable to a creditor or shareholder who is unknown, or who is under disability and there is no person legally competent to receive such distributive portion, or who cannot be found after the exercise of reasonable diligence by the person or persons responsible for the distribution in liquidation of the corporation's assets, shall be reduced to cash and deposited with the state treasurer of state, together with a statement giving the name of the person, if known, entitled to such funds, that person's last known address, the amount of that person's distributive portion, and such other information about such person as the state treasurer may reasonably require, pursuant to section 556.6 and be accompanied by a form prescribed by the treasurer of state, whereupon the person or persons responsible for the distribution in liquidation of the corporation's assets shall be released and discharged from any further liability with respect to the funds so deposited. The state treasurer of state shall issue

~~the state treasurer's receipt for such fund and shall deposit same in a special account to be maintained by the state treasurer the moneys deposited.~~

Sec. 2. Section 496A.101, subsection 2, Code 1989, is amended by striking the subsection and inserting in lieu thereof the following:

2. Claims for ownership or right to the moneys after they have been remitted to the treasurer of state shall be filed pursuant to chapter 556.

Sec. 3. Section 496A.101, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 3. Moneys deposited with the treasurer of state pursuant to this section before the effective date of this Act and deposited in the special account shall be transferred to the unclaimed property trust fund created by section 556.18 and are subject to the reversion requirements of that section.

Sec. 4. Section 556.8, Code 1989, is amended to read as follows:

556.8 PROPERTY HELD BY STATE COURTS AND PUBLIC OFFICERS AND AGENCIES.

All intangible personal property held for the owner by any court, public corporation, public authority, agency, instrumentality, employee, or public officer of this state, or the United States, or a political subdivision of the state, another state, or the United States, that has remained unclaimed by the owner for more than two years after becoming payable or distributable is presumed abandoned.

Sec. 5. Section 556.11, unnumbered paragraph 1, Code 1989, is amended to read as follows:

All agreements to pay compensation to recover or assist in the recovery of property reported under this section, made within twenty-four months after the date payment or delivery is made under section 556.11 are unenforceable. However, such agreements made after twenty-four months from the date of

payment or delivery are 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 owner, 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 prevent an owner from asserting, at any time, that an agreement to locate property is based upon excessive or unjust consideration. This section does not apply to an owner who has a bona fide fee contract with a practicing attorney and counselor as described in chapter 602, article 10.

Sec. 6. Section 556.18, subsection 1, Code 1989, is amended to read as follows:

1. Except as provided in subsection 3, all funds received under this chapter, including the proceeds from the sale of abandoned property under section 556.17, shall be deposited monthly by the treasurer of state in the general funds fund of the state. However, the treasurer of state shall retain in a separate trust fund an amount not exceeding one two hundred thousand dollars from which the treasurer of state shall make prompt payment of claims duly allowed under section 556.20. Before making the deposit, the treasurer of state shall record the name and last known address of each person appearing from the holders' reports to be entitled to the abandoned property and of the name and last known address of each insured person or annuitant, and with respect to each policy or contract listed in the report of a life insurance corporation, its number, the name of the corporation, and the amount due. The record shall be available for public inspection at all reasonable business hours.

Sec. 7. Section 602.8105, subsection 4, Code 1989, is amended by striking the subsection and inserting in lieu thereof the following:

4. The clerk shall pay to the treasurer of state all fees which have come into the clerk's possession and which are

unclaimed pursuant to section 556.8 accompanied by a form prescribed by the treasurer. Claims for payment of the moneys must be filed pursuant to chapter 556.

Sec. 8. UNCLAIMED FEES IN DISTRICT COURT. Moneys remitted to the treasurer of state pursuant to section 602.8105, subsection 4, before the effective date of this Act shall be transferred to the unclaimed property trust fund created by section 556.18 and are subject to the reversion requirements of that section.

JO ANN ZIMMERMAN
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 407, Seventy-third General Assembly.

JOHN P. DWYER
Secretary of the Senate

Approved June 1, 1989

TERRY E. BRANSTAD
Governor