

*Reprinted*

MAR 9 1992

HOUSE FILE 2403  
BY COMMITTEE ON STATE GOVERNMENT

Place On Calendar

(SUCCESSOR TO HSB 596)

Passed House, Date 3/23/92 (p. 750) Passed Senate, Date 3/31/92 <sup>(P. 1121)</sup>  
Vote: Ayes 47 Nays 0 Vote: Ayes 48 Nays 0  
Approved April 14, 1992

**A BILL FOR**

1 An Act relating to the notice to be given to owners of certain  
2 property held by banking or other financial organizations.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HOUSE FILE 2403

H-5259

1 Amend House File 2403 as follows:  
2 1. Page 1, line 5, by striking the word and  
3 figures "July 1, 1985" and inserting the following:  
4 "~~July-17-1985~~ July 1, 1992".  
5 2. Page 1, lines 14 and 15, by striking the word  
6 and figures "July 1, 1985" and inserting the  
7 following: "~~July-17-1985~~ July 1, 1992".

By RENKEN of Grundy

H-5259 FILED MARCH 11, 1992  
*(Adopted 3/23 (p. 750))*

HF 2403

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1 Section 1. Section 556.2, subsection 1, paragraph e, Code  
2 Supplement 1991, is amended to read as follows:

3 e. Been sent any written correspondence, notice, or  
4 information by first class mail regarding the deposit by the  
5 banking organization on or after July 1, 1985, if the  
6 correspondence, notice, or information requests an address  
7 correction on the face of the envelope, and is not returned to  
8 the bank organization for nondelivery, and if the bank  
9 organization maintains a record of all returned mail.

10 Sec. 2. Section 556.2, subsection 2, paragraph e, Code  
11 Supplement 1991, is amended to read as follows:

12 e. Been sent any written correspondence, notice, or  
13 information by first class mail regarding the funds or  
14 deposits by the financial organization on or after July 1,  
15 1985, if the correspondence, notice, or information requests  
16 an address correction on the face of the envelope, and is not  
17 returned to the financial organization for nondelivery, and if  
18 the financial organization maintains a record of all returned  
19 mail.

20 Sec. 3. Section 556.2, subsection 3, Code Supplement 1991,  
21 is amended to read as follows:

22 3. Any property described in subsections 1 and 2 which is  
23 automatically renewable is matured for purposes of subsections  
24 1 and 2 upon the expiration of its initial time period, but in  
25 the case of any renewal to which the owner consents at or  
26 about the time of renewal by communicating in writing with the  
27 banking or financial organization or otherwise indicating  
28 consent as evidenced by a memorandum or other record on file  
29 prepared by an employee of the organization, the property is  
30 matured upon the expiration of the last time provided for  
31 which consent was given. However, consent to renewal is  
32 deemed to have been given if the owner is sent written notice  
33 of the renewal by first class mail which requests an address  
34 correction on the face of the envelope, the notice is not  
35 returned for nondelivery, and the banking or financial

1 organization maintains a record of all returned mail. If at  
2 the time period for delivery in section 556.13, a penalty or  
3 forfeiture in the payment of interest would result from the  
4 delivery of the property, the time period for delivery is  
5 extended until the time when no penalty or forfeiture would  
6 result.

7 Sec. 4. Section 556.2, subsection 6, unnumbered paragraph  
8 1, Code Supplement 1991, is amended to read as follows:

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

15 EXPLANATION

16 This bill provides that the consent from the owner of  
17 certain property relating to renewal of certain deposits held  
18 by a banking or other financial institution is deemed to be  
19 given if written notice is sent to the owner by first class  
20 mail which requests an address correction on the face of the  
21 envelope, the mailing is not returned to the financial  
22 institution, and the institution maintains a record of all  
23 returned mail.

24 The bill further provides that automatically renewable  
25 instruments will not be deemed to have matured if the owner  
26 has been sent first class mail giving notice of the renewal  
27 and the notice has not been returned for nondelivery, if the  
28 banking or other financial organization providing the notice  
29 maintains a record of all returned mail.

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Sen. St. Clair 3/24, Amend + Re Pass (S-5416) 3/26

HOUSE FILE 2403  
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 596)

(As Amended and Passed by the House March 23, 1992)

Passed House, Date 3/23/92 (p. 150) Passed Senate, Date 3/31/92 (p. 1121)  
Vote: Ayes 97 Nays 0 Vote: Ayes 48 Nays 0  
Approved April 14, 1992 (p. 1476)

**A BILL FOR**

1 An Act relating to the notice to be given to owners of certain  
2 property held by banking or other financial organizations.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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House Amendments \_\_\_\_\_

**HOUSE FILE 2403**

**S-5416**

1 Amend House File 2403, as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. Page 1, line 33, by striking the words "first  
4 class" and inserting the following: "certified".

By COMMITTEE ON STATE GOVERNMENT  
BY CHAIRPERSON KIBBIE

S-5416 FILED MARCH 26, 1992  
w/d 3/31 (p. 1121)

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1 Section 1. Section 556.2, subsection 1, paragraph e, Code  
2 Supplement 1991, is amended to read as follows:

3 e. Been sent any written correspondence, notice, or  
4 information by first class mail regarding the deposit by the  
5 banking organization on or after July-17-1985 July 1, 1992, if  
6 the correspondence, notice, or information requests an address  
7 correction on the face of the envelope, and is not returned to  
8 the bank organization for nondelivery, and if the bank  
9 organization maintains a record of all returned mail.

10 Sec. 2. Section 556.2, subsection 2, paragraph e, Code  
11 Supplement 1991, is amended to read as follows:

12 e. Been sent any written correspondence, notice, or  
13 information by first class mail regarding the funds or  
14 deposits by the financial organization on or after July-17  
15 1985 July 1, 1992, if the correspondence, notice, or  
16 information requests an address correction on the face of the  
17 envelope, and is not returned to the financial organization  
18 for nondelivery, and if the financial organization maintains a  
19 record of all returned mail.

20 Sec. 3. Section 556.2, subsection 3, Code Supplement 1991,  
21 is amended to read as follows:

22 3. Any property described in subsections 1 and 2 which is  
23 automatically renewable is matured for purposes of subsections  
24 1 and 2 upon the expiration of its initial time period, but in  
25 the case of any renewal to which the owner consents at or  
26 about the time of renewal by communicating in writing with the  
27 banking or financial organization or otherwise indicating  
28 consent as evidenced by a memorandum or other record on file  
29 prepared by an employee of the organization, the property is  
30 matured upon the expiration of the last time provided for  
31 which consent was given. However, consent to renewal is  
32 deemed to have been given if the owner is sent written notice  
33 of the renewal by first class mail which requests an address  
34 correction on the face of the envelope, the notice is not  
35 returned for nondelivery, and the banking or financial

1 organization maintains a record of all returned mail. If at  
2 the time period for delivery in section 556.13, a penalty or  
3 forfeiture in the payment of interest would result from the  
4 delivery of the property, the time period for delivery is  
5 extended until the time when no penalty or forfeiture would  
6 result.

7 Sec. 4. Section 556.2, subsection 6, unnumbered paragraph  
8 1, Code Supplement 1991, is amended to read as follows:

9 A banking organization or financial organization shall send  
10 to the owner of each account, to which none of the actions  
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13 preceding three calendar years, a notice by certified mail  
14 stating in substance the following:

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Renken-Chair  
Peterson of Carroll  
Teaford

HSB 596

STATE GOVERNMENT

Now  
HOUSE FILE 2403  
BY (PROPOSED COMMITTEE ON  
STATE GOVERNMENT BILL  
BY CHAIRPERSON BLANSHAN)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to the notice to be given to owners of certain  
2 property held by banking or other financial organizations.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SUB COMMITTEE ASSIGNMENTS

Chairman: Renken  
COMMITTEE: State Gov.  
2/5/92

1 Section 1. Section 556.2, subsection 3, Code Supplement  
2 1991, is amended to read as follows:

3 3. Any property described in subsections 1 and 2 which is  
4 automatically renewable is matured for purposes of subsections  
5 1 and 2 upon the expiration of its initial time period, but in  
6 the case of any renewal to which the owner consents at or  
7 about the time of renewal by communicating in writing with the  
8 banking or financial organization or otherwise indicating  
9 consent as evidenced by a memorandum or other record on file  
10 prepared by an employee of the organization, the property is  
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13 deemed to have been given if the owner is sent written notice  
14 of the renewal by first class mail, the notice is not returned  
15 for nondelivery, and the banking or financial organization  
16 maintains a record of all returned mail. If at the time  
17 period for delivery in section 556.13, a penalty or forfeiture  
18 in the payment of interest would result from the delivery of  
19 the property, the time period for delivery is extended until  
20 the time when no penalty or forfeiture would result.

21 Sec. 2. Section 556.2, subsection 6, unnumbered paragraph  
22 1, Code Supplement 1991, is amended to read as follows:

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24 to the owner of each account, to which none of the actions  
25 specified in paragraphs "a" through "d e" of subsection 1 or  
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27 preceding three calendar years, a notice by certified mail  
28 stating in substance the following:

29 EXPLANATION

30 This bill provides that the consent from the owner of  
31 certain property relating to renewal of certain deposits held  
32 by a banking or other financial institution is deemed to be  
33 given if written notice is sent to the owner by first class  
34 mail, the mailing is not returned to the financial  
35 institution, and the institution maintains a record of all



1 returned mail.

2 The bill further provides that automatically renewable  
3 instruments will not be deemed to have matured if the owner  
4 has been sent first class mail giving notice of the renewal  
5 and the notice has not been returned for nondelivery, if the  
6 banking or other financial organization providing the notice  
7 maintains a record of all returned mail.

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HOUSE FILE 2403

AN ACT

RELATING TO THE NOTICE TO BE GIVEN TO OWNERS OF CERTAIN  
PROPERTY HELD BY BANKING OR OTHER FINANCIAL ORGANIZATIONS.

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

Section 1. Section 556.2, subsection 1, paragraph e, Code Supplement 1991, is amended to read as follows:

e. Been sent any written correspondence, notice, or information by first class mail regarding the deposit by the banking organization on or after ~~July 17, 1985~~ July 1, 1992, if the correspondence, notice, or information requests an address correction on the face of the envelope, and 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, paragraph e, Code Supplement 1991, is amended to read as follows:

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 ~~July 17, 1985~~ July 1, 1992, if the correspondence, notice, or information requests an address correction on the face of the envelope, and 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, subsection 3, Code Supplement 1991, is amended to read as follows:

3. Any property described in subsections 1 and 2 which is automatically renewable is matured for purposes of subsections 1 and 2 upon the expiration of its initial time period, but in the case of any renewal to which the owner consents at or about the time of renewal by communicating in writing with the banking or financial organization or otherwise indicating consent as evidenced by a memorandum or other record on file prepared by an employee of the organization, the property is matured upon the expiration of the last time provided for which consent was given. However, consent to renewal is deemed to have been given if the owner is sent written notice of the renewal by first class mail which requests an address correction on the face of the envelope, the notice is not returned for nondelivery, and the banking or financial organization maintains a record of all returned mail. If at the time period for delivery in section 556.13, a penalty or forfeiture in the payment of interest would result from the delivery of the property, the time period for delivery is extended until the time when no penalty or forfeiture would result.

Sec. 4. Section 556.2, subsection 6, unnumbered paragraph 1, Code Supplement 1991, is amended to read as follows:

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 e" of subsection 1 or

"a" through "d e" of subsection 2 have occurred during the preceding three calendar years, a notice by certified mail stating in substance the following:

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ROBERT C. ARNOULD  
Speaker of the House

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MICHAEL E. GRONSTAL  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2403, Seventy-fourth General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved April 14, 1992

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TERRY E. BRANSTAD  
Governor