

Bill No. 116 Pass 3/25

FILED FEB 19 1992

SENATE FILE 2174
BY COMMITTEE ON COMMERCE
2/17/92 (p. 100)
(SUCCESSOR TO SSB 2151)

Passed Senate, Date 3/25/92 (p. 529) Passed House, Date 4/2/92 (p. 100)
Vote: Ayes 48 Nays 0 Vote: Ayes 79 Nays 0
Approved April 9, 1992 (p. 1323)

A BILL FOR

1 An Act relating to unclaimed property, and providing an effective
2 date and applicability provisions.

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

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SENATE FILE 2174

H-5530

1 Amend Senate File 2174, as passed by the Senate, as
2 follows:

3 1. Page 1, line 22, by striking the words "last
4 known".

By KREMER of Buchanan

H-5500 FILED MARCH 24, 1992
Filed 4/2 (p. 1000)

SF 2174

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1 Section 1. Section 556.9A, subsection 1, paragraph a, Code
2 1991, is amended to read as follows:

3 a. "Property" means intangible personal property located
4 outside the state, but issued by the state of Iowa, a state
5 agency, a political subdivision of the state, or a person
6 formed or otherwise located within the state as a corporation,
7 trust, partnership, limited partnership, association,
8 cooperative, union, or organization.

9 Sec. 2. Section 556.9A, subsection 2, Code 1991, is
10 amended to read as follows:

11 2. Property and income derived from the property,
12 including but not limited to dividends, earnings, and
13 interest, which are held by a temporary custodian ~~en-behalf-of~~
14 ~~the-property's-owner~~, are presumed abandoned and after
15 deducting lawful charges are subject to the custody of this
16 state as unclaimed property, if all the following apply:

17 a. The owner has not claimed the property or income
18 derived from the property or corresponded in writing with the
19 temporary custodian of the property within three years after
20 the date prescribed for delivery of the property or payment of
21 income from the property.

22 b. The ~~current~~ last known address of the owner is unknown.

23 ~~c.--Notice-that-the-property-may-be-claimed-has-been~~
24 ~~delivered-to-the-last-known-address-of-the-owner.~~

25 Sec. 3. EFFECTIVE DATE AND APPLICABILITY PROVISIONS.

26 1. This Act, being deemed of immediate importance, takes
27 effect upon enactment.

28 2. Section 2 of this Act applies to all property held at
29 any time on or after the effective date of section 2,
30 regardless of when the property is abandoned or becomes
31 presumptively abandoned.

32 EXPLANATION

33 This bill alters the unclaimed property provisions
34 concerning intangible personal property located outside the
35 state. The bill changes the definition of property within the

1 provision to include property issued by a person formed or
2 otherwise located within the state as a corporation, trust,
3 partnership, limited partnership, association, cooperative,
4 union, or organization.

5 The bill also removes a limitation that the property be
6 held on behalf of the property's owner in order to be subject
7 to the unclaimed property provisions. The bill provides that
8 in order for the property to be subject to the custody of the
9 state of Iowa, the last known, rather than the current,
10 address of the owner must be unknown. The bill strikes a
11 requirement that notice that the property may be claimed must
12 be delivered to the last known address of the owner before the
13 state may claim the property. The provisions specified in
14 this paragraph apply to all property held on or after the
15 effective date of the bill, regardless of when the property
16 was abandoned.

17 The bill is immediately effective upon enactment.

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SENATE FILE 2174
FISCAL NOTE

A fiscal note for Senate File 2174 is hereby submitted pursuant to Article XVI, Section 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2174 makes technical corrections to Section 556.9A, Code of Iowa. One of these changes broadens the definition of a corporation to include those located (in addition to formed) in the State.

Assumptions:

Iowa, along with 24 other states, has joined Delaware in a lawsuit against the State of New York. The case will determine the disposition of unclaimed property in the form of unclaimed dividends and bond interest. The case is expected to change the principle upon which unclaimed property is returned to states from returning the property to the state of incorporation to returning it to the state of principle business. The proposed changes will permit the State of Iowa to collect unclaimed property in future years from the State of New York. The result is dependent upon a ruling by the U.S. Supreme Court which is expected before the end of the fiscal year.

Fiscal Impact:

If the U. S. Supreme Court rules in Iowa's favor, it is anticipated these changes will facilitate the recovery of an additional \$500,000 in FY 1993 and \$1,500,000 in FY 1994 through unclaimed property. In addition to the identified amounts, other future reclamations are likely.

Source: Office of the Treasurer

(LSB 6080sv, MDF)

FILED FEBRUARY 25, 1992

BY DENNIS PROUTY, FISCAL DIRECTOR

GETTINGS, CH.
STURGEON 9/12/92
KORSTON

SSB 2151
Commerce now ✓

SENATE FILE 2174
BY (PROPOSED COMMITTEE ON
COMMERCE BILL BY CHAIR-
PERSON DELUHERY)

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

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9 Sec. 2. Section 556.9A, subsection 2, Code 1991, is
10 amended to read as follows:

11 2. Property and income derived from the property,
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14 ~~the-property's-owner~~, are presumed abandoned and after
15 deducting lawful charges are subject to the custody of this
16 state as unclaimed property, if all the following apply:

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18 derived from the property or corresponded in writing with the
19 temporary custodian of the property within three years after
20 the date prescribed for delivery of the property or payment of
21 income from the property.

22 b. The current last known address of the owner is unknown.

23 ~~c.---Notice-that-the-property-may-be-claimed-has-been~~
24 ~~delivered-to-the-last-known-address-of-the-owner.~~

25 Sec. 3. EFFECTIVE DATE AND APPLICABILITY PROVISIONS.

26 1. This Act, being deemed of immediate importance, takes
27 effect upon enactment.

28 2. Section 2 of this Act applies to all property held at
29 any time on or after the effective date of section 2,
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SENATE FILE 2174

AN ACT
RELATING TO UNCLAIMED PROPERTY, AND PROVIDING AN EFFECTIVE
DATE AND APPLICABILITY PROVISIONS.

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

Section 1. Section 556.9A, subsection 1, paragraph a, Code 1991, is amended to read as follows:

a. "Property" means intangible personal property located outside the state, but issued by the state of Iowa, a state agency, a political subdivision of the state, or a person formed or otherwise located within the state as a corporation, trust, partnership, limited partnership, association, cooperative, union, or organization.

Sec. 2. Section 556.9A, subsection 2, Code 1991, is amended to read as follows:

2. Property and income derived from the property, including but not limited to dividends, earnings, and interest, which are held by a temporary custodian on-behalf-of the-property's-owner, are presumed abandoned and after deducting lawful charges are subject to the custody of this state as unclaimed property, if all the following apply:

a. The owner has not claimed the property or income derived from the property or corresponded in writing with the temporary custodian of the property within three years after the date prescribed for delivery of the property or payment of income from the property.

b. The current last known address of the owner is unknown.
~~c. Notice that the property may be claimed has been delivered to the last known address of the owner.~~

Sec. 3. EFFECTIVE DATE AND APPLICABILITY PROVISIONS.

1. This Act, being deemed of immediate importance, takes effect upon enactment.

2. Section 2 of this Act applies to all property held at any time on or after the effective date of section 2, regardless of when the property is abandoned or becomes presumptively abandoned.

MICHAEL E. GRONSTAL
President of the Senate

ROBERT C. ARNOULD
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2174, Seventy-fourth General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved *April 9*, 1992

TERRY E. BRANSTAD
Governor

SF 2174