

Senate File 527 - Introduced

SENATE FILE _____
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SF 227)

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

A BILL FOR

1 An Act relating to agreements to pay compensation to recover or
2 assist in the recovery of certain unclaimed property.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 2557SV 82
5 av/je/5

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1 1 Section 1. Section 556.2C, subsection 2, Code 2007, is
1 2 amended to read as follows:
1 3 2. An agreement to pay compensation to recover or assist
1 4 in the recovery of an outstanding warrant made within
1 5 twenty-four months after the date the warrant is canceled is
1 6 unenforceable. However, an agreement made after twenty-four
1 7 months from the date the warrant is canceled is valid if the
1 8 fee or compensation agreed upon is not more than ~~fifteen~~
1 9 twenty percent of ~~the~~ recoverable property whose value is one
1 10 thousand dollars or less and not more than fifteen percent of
1 11 recoverable property whose value is more than one thousand
1 12 dollars, the agreement is in writing and signed by the payee,
1 13 and the writing discloses the nature and value of the property
1 14 and the name and address of the person in possession. This
1 15 subsection does not apply to a payee who has a bona fide fee
1 16 contract with a practicing attorney regulated under chapter
1 17 602, article 10.
1 18 Sec. 2. Section 556.11, subsection 10, Code 2007, is
1 19 amended to read as follows:
1 20 10. All agreements to pay compensation to recover or
1 21 assist in the recovery of property reported under this
1 22 section, made within twenty-four months after the date payment
1 23 or delivery is made under section 556.13, are unenforceable.
1 24 However, such agreements made after twenty-four months from
1 25 the date of payment or delivery are valid if the fee or
1 26 compensation agreed upon is not more than ~~fifteen~~ twenty
1 27 percent of ~~the~~ recoverable property whose value is one
1 28 thousand dollars or less and not more than fifteen percent of
1 29 recoverable property whose value is more than one thousand
1 30 dollars, the agreement is in writing and signed by the owner,
1 31 and the writing discloses the nature and value of the property
1 32 and the name and address of the person in possession. A
1 33 person shall not attempt to collect or collect a fee or
1 34 compensation for discovering property presumed abandoned under
1 35 this chapter unless the person is licensed as a private
2 1 investigation business pursuant to chapter 80A. This section
2 2 does not prevent an owner from asserting, at any time, that an
2 3 agreement to locate property is based upon excessive or unjust
2 4 consideration. This section does not apply to an owner who
2 5 has a bona fide fee contract with a practicing attorney and
2 6 counselor as described in chapter 602, article 10.

EXPLANATION

2 8 This bill relates to agreements to pay compensation to
2 9 recover or assist in the recovery of certain property that has
2 10 been reported as unclaimed or abandoned.
2 11 Code section 556.2C is amended to provide that the amount
2 12 of the fee or compensation that can be agreed upon in such an
2 13 agreement is 20 percent of the recoverable amount of certain
2 14 unpaid, outdated state warrants whose value is \$1,000 or less
2 15 and 15 percent if the value is more than \$1,000.
2 16 Code section 556.11 is amended to provide that the amount
2 17 of the fee or compensation that can be agreed upon in such an
2 18 agreement is 20 percent of the recoverable amount of certain

2 19 funds or property, tangible or intangible, that have been
2 20 reported abandoned whose value is \$1,000 or less and 15
2 21 percent if the value is more than \$1,000.
2 22 LSB 2557SV 82
2 23 av:rj/je/5