

Senate Study Bill 3195 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON McCOY)

A BILL FOR

1 An Act providing a procedure for the escheatment of United
2 States savings bonds presumed abandoned.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 556.9B United States savings bonds
2 — escheatment procedures.

3 1. Notwithstanding any provision of this chapter to the
4 contrary, the escheat of United States savings bonds and
5 proceeds from such bonds to the state shall be governed by this
6 section.

7 2. United States savings bonds held or owing in this state
8 by any person, or issued or owed in the course of a holder's
9 business, or issued or owed by a state or other government,
10 governmental subdivision, agency, or instrumentality, and all
11 proceeds from such bonds, shall escheat to the state three
12 years after such bonds are presumed abandoned property under
13 section 556.9, subsection 1. All property rights and legal
14 title to and ownership of such United States savings bonds
15 or proceeds from such bonds, including all rights, powers,
16 and privileges of survivorship of any owner, co-owner, or
17 beneficiary, shall vest solely in the state.

18 3. Within one hundred eighty days after the three-year
19 period referred to in subsection 2, if a claim has not been
20 filed in accordance with the provisions of section 556.19 for
21 the United States savings bonds, the treasurer of state shall
22 commence a civil action in the district court of Polk county
23 for a determination that the savings bonds shall escheat to
24 the state. The treasurer of state may postpone the bringing
25 of such an action until sufficient United States savings bonds
26 have accumulated in the treasurer of state's custody to justify
27 the expense of the civil action.

28 4. a. In lieu of the notice and publication provisions
29 specified in section 556.12, the treasurer of state or the
30 treasurer of state's attorney must file an affidavit or a
31 declaration stating all of the following that apply:

32 (1) That personal service of notice or notification by
33 certified mail has been attempted at the last known address of
34 all named defendants unless the treasurer or the treasurer's
35 attorney has reason to believe that the address submitted

1 by the holder is unknown or not otherwise sufficient to
2 ensure that personal service or delivery of such notice will
3 likely occur. The notice shall notify the defendant of the
4 information in paragraph "b", subparagraphs (1), (2), and (3).

5 (2) That a reasonable effort has been made to ascertain the
6 names and addresses of any defendants sought to be served as
7 unknown parties.

8 (3) That service of summons pursuant to subparagraph (1) or
9 (2) has been unsuccessful.

10 b. Following the filing of the affidavit or declaration
11 pursuant to paragraph "a", the treasurer of state shall serve
12 notice by publication. Publication of the notice shall be made
13 once each week for three consecutive weeks in a newspaper of
14 general circulation published in the county where the petition
15 is filed. Such notice shall name any defendant to be served
16 and shall notify the defendant of the following:

17 (1) The defendant has been sued in a named court.

18 (2) The defendant must answer the petition or other pleading
19 or otherwise defend, on or before a specified date that is
20 less than forty-one days after the date the notice is first
21 published.

22 (3) If the defendant does not answer or otherwise defend,
23 the petition or other pleading will be taken as true and
24 judgment, the nature of which must be stated, will be rendered
25 accordingly.

26 5. If a person does not file a claim or appear at the
27 hearing to substantiate a claim, or if the court determines
28 that a claimant is not entitled to the property claimed by
29 the claimant, the court, if satisfied by evidence that the
30 treasurer of state has substantially complied with the laws
31 of this state, shall enter a judgment that the United States
32 savings bonds have escheated to the state, and all property
33 rights and legal title to and ownership of such savings bonds
34 or proceeds from such bonds, including all rights, powers,
35 and privileges of survivorship of any owner, co-owner, or

1 beneficiary, have vested solely in the state.

2 6. The treasurer of state shall redeem United States
3 savings bonds escheated to the state and the proceeds from the
4 redemption shall be deposited into the general fund of the
5 state in accordance with section 556.18.

6 7. Any person making a claim for the United States savings
7 bonds escheated to the state under this section, or for the
8 proceeds from such bonds, may file a claim in accordance
9 with section 556.19. Upon providing sufficient proof of the
10 validity of the person's claim, the treasurer of state may pay
11 such claim in accordance with the provisions of section 556.20.

12 EXPLANATION

13 The inclusion of this explanation does not constitute agreement with
14 the explanation's substance by the members of the general assembly.

15 This bill provides a procedure for the escheatment to the
16 state of United States savings bonds presumed to be abandoned.

17 The bill provides that if a claim has not been filed for the
18 United States savings bonds within three years and 180 days
19 after the savings bonds were presumed abandoned under current
20 law, the treasurer of state shall commence a civil action in
21 the district court of Polk county for a determination that
22 the savings bonds shall escheat to the state. The treasurer
23 of state may postpone the bringing of such an action until
24 sufficient United States savings bonds have accumulated in the
25 treasurer of state's custody to justify the expense of the
26 civil action.

27 The bill provides that, in lieu of existing notice
28 provisions, and after either personal service or service by
29 mail has been attempted or there is reason to believe that
30 such service or delivery will be unsuccessful, the treasurer
31 of state shall serve notice of the civil action by publication
32 in a newspaper of general circulation published in the county
33 where the petition is filed, naming any defendant remaining to
34 be served. The notice shall notify each defendant that the
35 defendant has been sued in a named court, that the defendant

1 must answer the petition or other pleading or otherwise
2 defend, on or before a specified date not less than 41 days
3 after the date the notice is first published and that if the
4 defendant does not answer or otherwise defend, the petition
5 or other pleading will be taken as true and judgment rendered
6 accordingly. The bill additionally requires that prior to
7 service by publication, the treasurer of state or the treasurer
8 of state's attorney must file an affidavit or a declaration
9 relating to efforts undertaken to identify and serve notice
10 upon known and unknown defendants.

11 The bill provides that if a claim for the United States
12 savings bonds is not filed or no one appears at the hearing
13 to substantiate a claim, or if the court determines that
14 a claimant is not entitled to the property claimed by the
15 claimant, the court, if satisfied that the treasurer of state
16 has substantially complied with the required process, shall
17 enter a judgment that the savings bonds have escheated to
18 the state. The treasurer of state shall redeem the savings
19 bonds escheated and the proceeds from the redemption shall be
20 deposited into the general fund of the state.

21 The bill provides that any person making a claim for the
22 United States savings bonds escheated to the state or for the
23 proceeds from such bonds may file a claim for the bonds and
24 proceeds and, if sufficient proof of the validity of the claim
25 is determined to exist, the treasurer of state may pay the
26 claim in accordance with current law.