

House Study Bill 33 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON LUNDGREN)

A BILL FOR

1 An Act relating to communication methods regarding the
2 disposition of unclaimed property and including
3 applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 556.1, Code 2023, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 3A. *“Electronic messaging”* means
4 communication conducted through electronic mail, text message,
5 or other electronic means, including but not limited to an
6 online banking website application.

7 Sec. 2. Section 556.2, subsection 1, paragraph b, Code 2023,
8 is amended to read as follows:

9 *b.* Corresponded in writing or through electronic messaging
10 with the banking organization concerning the deposit.

11 Sec. 3. Section 556.2, subsection 1, paragraph d,
12 subparagraphs (1) and (2), Code 2023, are amended to read as
13 follows:

14 (1) Communicated in writing or through electronic messaging
15 with the bank.

16 (2) Otherwise indicated an interest as evidenced by a
17 memorandum or other record on file prepared by an employee of
18 the bank and if the bank communicates in writing or through
19 electronic messaging with the owner with regard to the property
20 that would otherwise be abandoned under [this subsection](#) at the
21 physical address, electronic mail address, or phone number on
22 file with the banking organization to which communications
23 regarding the other relationship are regularly sent, including
24 electronic messaging.

25 Sec. 4. Section 556.2, subsection 1, paragraph e, Code 2023,
26 is amended to read as follows:

27 *e.* Been sent any written correspondence, notice, or
28 information by first class mail regarding the deposit by
29 the banking organization on or after July 1, 1992, if the
30 correspondence, notice, or information requests an address
31 correction on the face of the envelope, and is not returned
32 to the bank organization for nondelivery, and if the bank
33 organization maintains a record of all returned mail, or
34 been sent any correspondence, notice, or information through
35 electronic messaging, and is not returned electronically to

1 the banking organization for nondelivery, and if the bank
2 organization maintains a record of all returned electronic
3 messaging.

4 Sec. 5. Section 556.2, subsection 2, paragraph b, Code 2023,
5 is amended to read as follows:

6 *b.* Corresponded in writing or through electronic messaging
7 with the financial organization concerning the funds or
8 deposit.

9 Sec. 6. Section 556.2, subsection 2, paragraph d,
10 subparagraphs (1) and (2), Code 2023, are amended to read as
11 follows:

12 (1) Communicated in writing or through electronic messaging
13 with the financial organization.

14 (2) Otherwise indicated an interest as evidenced by a
15 memorandum or other record on file prepared by an employee of
16 the financial organization and if the financial organization
17 communicates in writing or through electronic messaging with
18 the owner with regard to the property that would otherwise
19 be abandoned under [this subsection](#) at the physical address
20 or electronic mail address or phone number on file with the
21 financial organization to which communications regarding the
22 other relationship are regularly sent, or messages sent through
23 other electronic means.

24 Sec. 7. Section 556.2, subsection 2, paragraph e, Code 2023,
25 is amended to read as follows:

26 *e.* Been sent any written correspondence, notice, or
27 information by first class mail regarding the funds or deposits
28 by the financial organization on or after July 1, 1992, if the
29 correspondence, notice, or information requests an address
30 correction on the face of the envelope, and is not returned
31 to the financial organization for nondelivery, and if the
32 financial organization maintains a record of all returned mail,
33 or been sent any correspondence, notice, or information through
34 electronic messaging, and is not returned electronically to the
35 financial organization for nondelivery, and if the financial

1 organization maintains a record of all returned electronic
2 messaging.

3 Sec. 8. Section 556.2, subsection 3, Code 2023, is amended
4 to read as follows:

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

29 Sec. 9. Section 556.2, subsection 5, paragraphs a and b,
30 Code 2023, are amended to read as follows:

31 a. A banking organization or financial organization shall
32 send to the owner of each account, to which none of the actions
33 specified in subsection 1, paragraphs "a" through "e" or
34 subsection 2, paragraphs "a" through "e" have occurred during
35 the preceding three calendar years, a notice by certified

1 mail or through electronic messaging stating in substance the
2 following:

3 According to our records, we have had no contact with you
4 regarding (describe account) for more than three years. Under
5 Iowa law, if there is a period of three years without contact,
6 we may be required to transfer this account to the custody of
7 the treasurer of state of Iowa as unclaimed property. You
8 may prevent this by taking some action, such as a deposit or
9 withdrawal, or by contacting us through electronic messaging,
10 which indicates your interest in this account, or by signing
11 this form and returning it to us.

12 I desire to keep the above account open and active.

13

14 Your signature

15 b. The notice required under **this section** shall be mailed
16 sent within thirty days of the lapse of the three-year period
17 in which there is no activity. The cost of the certified mail
18 of the notice required in **this section** may be deducted from the
19 account by the banking or financial organization.

20 Sec. 10. APPLICABILITY. This Act applies to electronic
21 messaging sent or received on or after the effective date of
22 this Act.

23 EXPLANATION

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

26 This bill relates to electronic communication regarding
27 property that is assumed to be abandoned for purposes of
28 property held by a bank, financial institution, or business
29 association.

30 The bill defines "electronic messaging" to mean
31 electronic mail, text messaging, or other electronic means of
32 communication, including an online banking website application.

33 The bill provides that methods of communication between
34 an owner of specified forms of property and a banking or
35 financial organization or by a business association that can,

1 if certain circumstances are met, prevent the property from
2 being considered abandoned include electronic messaging along
3 with correspondence in writing. The bill also provides that
4 consent for renewal of previously held property between an
5 owner and a banking or financial organization or a business
6 association can be considered effective if notice was sent by
7 electronic messaging and the notice is not returned to the bank
8 for nondelivery.

9 The bill applies to electronic messaging sent or received on
10 or after the effective date of the bill.