

4. If a majority of the qualified electors voting for and against the tax authorization proposed under subsection 3, paragraph "a", favor the certification of a tax levy, the tax method receiving the largest number of votes under subsection 3, paragraph "b", shall be used to pay the actual costs of the removal or encapsulation project.

5. The taxes certified for levy under this section are in addition to any other taxes or additional enrichment amount raised for other programs as provided by law.

6. Nothing in sections 442.14 through 442.20 or this section shall be construed to require more than one favorable election to authorize the use of a property tax or the combination of an enrichment property tax and a school district income surtax to pay the actual cost of an asbestos removal or encapsulation project under this section.

Sec. 2. Section 442.5, subsection 1, paragraph b, Code 1983, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. Asbestos removal or encapsulation under section 279.43.

Approved May 17, 1984

CHAPTER 1295
UNCLAIMED PROPERTY
H.F. 2522

AN ACT relating to the disposition of unclaimed property.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 556.2, subsection 1, Code 1983, is amended to read as follows:

1. Any demand, savings, or matured time deposit made in this state with a banking organization, together with any interest or dividend ~~thereon~~, excluding any charges that may lawfully be withheld, unless the owner has, within ~~ten~~ five years:

Sec. 2. Section 556.2, subsection 1, Code 1983, is amended by adding the following new lettered paragraph:

NEW LETTERED PARAGRAPH. d. Had another relationship with the bank in which the owner has:

(1) Communicated in writing with the bank.

(2) Otherwise indicated an interest as evidenced by a memorandum or other record on file prepared by an employee of the bank and if the bank communicates in writing with the owner with regard to the property that would otherwise be abandoned under this subsection at the address to which communications regarding the other relationship are regularly sent.

Sec. 3. Section 556.2, subsection 2, Code 1983, is amended to read as follows:

2. Any funds paid in this state toward the purchase of shares or other interest in a financial organization or any deposit made ~~therewith~~ in this state, and any interest or dividends ~~thereon~~, excluding any charges that may lawfully be withheld, unless the owner has within ~~ten~~ five years:

Sec. 4. Section 556.2, subsection 2, Code 1983, is amended by adding the following new lettered paragraph:

NEW LETTERED PARAGRAPH. d. Had another relationship with the financial organization in which the owner has:

- (1) Communicated in writing with the financial organization.
- (2) Otherwise indicated an interest as evidenced by a memorandum or other record on file prepared by an employee of the financial organization and if the financial organization communicates in writing with the owner with regard to the property that would otherwise be abandoned under this subsection at the address to which communications regarding the other relationship are regularly sent.

Sec. 5. Section 556.2, Code 1983, is amended by inserting after subsection 2 the following new subsection:

NEW SUBSECTION. 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. 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. 6. Section 556.2, subsection 3, Code 1983, is amended to read as follows:

3. Any sum payable on checks certified in this state or on written instruments issued in this state on which a banking or financial organization or business association is directly liable, including, by way of illustration but not of limitation, certificates of deposit, drafts, money orders, and traveler's checks, that, with the exception of traveler's checks, has been outstanding for more than ~~ten~~ five years from the date it was payable, or from the date of its issuance if payable on demand, or, in the case of traveler's checks, that has been outstanding for more than fifteen years from the date of its issuance, unless the owner has within ~~ten~~ five years, or within fifteen years in the case of traveler's checks, corresponded in writing with the banking or financial organization or business association concerned, or otherwise indicated an interest as evidenced by a memorandum on file with the banking or financial organization or business association. ~~Such~~ The memorandum shall be dated and may have been prepared by the banking or financial organization or business association, in which case it shall be signed by an officer of the banking or financial organization, or a member of the business association, or it may have been prepared by the owner.

Sec. 7. Section 556.2, subsection 4, Code 1983, is amended to read as follows:

4. Any funds or other personal property, tangible or intangible, removed from a safe deposit box or any other safekeeping repository or agency or collateral deposit box in this state on which the lease or rental period has expired due to nonpayment of rental charges or other reason, or any surplus amounts arising from the sale thereof pursuant to law, that have been unclaimed by the owner for more than ~~ten~~ five years from the date on which the lease or rental period expired.

Sec. 8. Section 556.3, subsection 2, Code 1983, is amended to read as follows:

2. "Unclaimed funds," as used in this section, means all moneys held and owing by any life insurance corporation unclaimed and unpaid for more than ~~ten~~ five years after the moneys became due and payable as established from the records of the corporation under any life or

endowment insurance policy or annuity contract which has matured or terminated. A life insurance policy not matured by actual proof of the death of the insured is deemed to be matured and the proceeds thereof are deemed to be due and payable if ~~such~~ the policy was in force when the insured attained the limiting age under the mortality table on which the reserve is based and shall be presumed abandoned and to be unclaimed funds as defined in this section if unclaimed and unpaid for more than two years thereafter, unless the person appearing entitled thereto has within the ~~preceeding ten years~~ two-year period, (a) assigned, readjusted, or paid premiums on the policy, or subjected the policy to loan; or (b) corresponded in writing with the life insurance corporation concerning the policy. Moneys otherwise payable according to the records of the corporation are deemed due and payable although the policy or contract has not been surrendered as required.

Sec. 9. Section 556.5, Code 1983, is amended by striking the section and inserting in lieu thereof the following:

556.5 STOCKS AND OTHER INTANGIBLE INTERESTS IN BUSINESS ASSOCIATIONS.

1. Except as provided in subsections 2 and 5, stock or other intangible ownership interest in a business association, the existence of which is evidenced by records available to the association, is presumed abandoned and, with respect to the interest, the association is the holder, if a dividend, distribution, or other sum payable as a result of the interest has remained unclaimed by the owner for seven years and the owner within seven years has not:

a. Communicated in writing with the association regarding the interest or a dividend, distribution, or other sum payable as a result of the interest.

b. Otherwise communicated with the association regarding the interest of a dividend, distribution, or other sum payable as a result of the interest, as evidenced by a memorandum or other record on file with the association prepared by an employee of the association.

2. At the expiration of a seven-year period following the failure of the owner to claim a dividend, distribution, or other sum payable to the owner as a result of the interest, the interest is not presumed abandoned unless there have been at least seven dividends, distributions, or other sums paid during the period, none of which has been claimed by the owner. If seven dividends, distributions, or other sums are paid during the seven-year period, the period leading to a presumption of abandonment commences on the date payment of the first unclaimed dividend, distribution, or other sum became due and payable. If seven dividends, distributions, or other sums are not paid during the presumptive period, the period continues to run until there have been seven dividends, distributions, or other sums that have not been claimed by the owner.

3. The running of the seven-year period of abandonment ceases immediately upon the occurrence of a communication referred to in subsection 1. If any future dividend, distribution, or other sum payable to the owner as a result of the interest is subsequently not claimed by the owner, a new period of abandonment commences and relates back to the time a subsequent dividend, distribution, or other sum became due and payable.

4. At the time an interest is presumed abandoned under this section, any dividend, distribution, or other sum then held for or owing to the owner as a result of the interest, and not previously abandoned, is presumed abandoned.

5. This section does not apply to any stock or other intangible ownership of interest enrolled in a plan that provides for the automatic reinvestment of dividends, distributions, or other sums payable as a result of the interest unless the records available to the treasurer of state show, with respect to any intangible ownership interest not enrolled in the reinvestment plan, that the owner has not within seven years communicated in any manner described in subsection 1.

6. Any stock or other certificate of ownership, or any dividend, profit, distribution, interest, payment on principal, or other sum held or owing by a business association for or to a shareholder, certificate holder, member, bondholder, or other security holder, or a participating patron of a cooperative, who has not claimed it, or corresponded in writing with the business association concerning it, within five years after the date prescribed for payment or delivery, is presumed abandoned.

Sec. 10. Section 556.6, Code 1983, is amended to read as follows:

556.6 PROPERTY OF BUSINESS ASSOCIATIONS AND BANKING OR FINANCIAL ORGANIZATIONS HELD IN COURSE OF DISSOLUTION. Except as provided in section 496A.101, all intangible personal property distributable in the course of a voluntary dissolution of a business association, banking organization, or financial organization organized under the laws of or created in this state, that is unclaimed by the owner within ~~two years~~ one year after the date for final distribution, is presumed abandoned.

Sec. 11. Section 556.7, unnumbered paragraph 1, Code 1983, is amended to read as follows:

All intangible personal property and any income or increment thereon, held in a fiduciary capacity for the benefit of another person is presumed abandoned unless the owner has, within ~~ten~~ five years after it becomes payable or distributable, increased or decreased the principal, accepted payment of principal or income, corresponded in writing concerning the property, or otherwise indicated an interest as evidenced by a memorandum on file with the fiduciary which shall have been dated and may have been prepared by the fiduciary or by the owner:

Sec. 12. Section 556.8, Code 1983, is amended to read as follows:

556.8 PROPERTY HELD BY STATE COURTS AND PUBLIC OFFICERS AND AGENCIES. All intangible personal property held for the owner by any court, public corporation, public authority, or public officer of this state, or a political subdivision ~~thereof~~ of the state, that has remained unclaimed by the owner for more than ~~ten~~ two years is presumed abandoned.

Sec. 13. Section 556.9, Code 1983, is amended to read as follows:

556.9 MISCELLANEOUS PERSONAL PROPERTY HELD FOR ANOTHER PERSON. All intangible personal property, not otherwise covered by this chapter, including any income or increment thereon and deducting any lawful charges, that is held or owing in this state in the ordinary course of the holder's business and has remained unclaimed by the owner for more than ~~ten~~ three years after it became payable or distributable is presumed abandoned.

Sec. 14. Section 556.11, subsection 2, paragraphs a and c, Code 1983, are amended to read as follows:

a. Except with respect to traveler's checks and money orders, the name, if known, and last known address, if any, of each person appearing from the records of the holder to be the owner of any property of the value of ~~three~~ twenty-five dollars or more presumed abandoned under this chapter.

c. The nature and identifying number, if any, or description of the property and the amount appearing from the records to be due, except that items of value under ~~three~~ twenty-five dollars each may be reported in aggregate.

Sec. 15. Section 556.12, subsection 2, unnumbered paragraph 1, Code 1983, is amended to read as follows:

The published notice shall be entitled "**Notice of Names of Persons Appearing to be Owner of Abandoned Property**" and shall contain:

Sec. 16. Section 556.13, Code 1983, is amended to read as follows:

556.13 PAYMENT OR DELIVERY OF ABANDONED PROPERTY. Every person who has filed a report under section 556.11, within twenty days after the time specified in section 556.12 for claiming the property from the holder, or in the case of sums payable on traveler's checks or money orders presumed abandoned under section 556.2 within twenty days after the filing of the report or property for which the holder is not required to report the name of the owner shall at the time of filing the report, shall pay or deliver to the state treasurer of state all abandoned property specified in this report, except that, if the owner establishes his owner's right to receive the abandoned property to the satisfaction of the holder within the time specified in section 556.12, or if it appears that for some other reason the presumption of abandonment is erroneous, the holder need not pay or deliver the property, which will no longer be presumed abandoned, to the state treasurer of state, but in lieu thereof shall file a verified written explanation of the proof of claim or of the error in the presumption of abandonment.

Sec. 17. Section 556.14, Code 1983, is amended by striking the section and inserting in lieu thereof the following:

556.14 RELIEF FROM LIABILITY BY PAYMENT OR DELIVERY.

1. Upon the payment or delivery of property to the treasurer of state, the state assumes custody and responsibility for the safekeeping of the property. A person who pays or delivers property to the treasurer of state in good faith is relieved of all liability to the extent of the value of the property paid or delivered for any claim then existing or which may arise or be made in respect to the property.

2. If the holder pays or delivers property to the treasurer of state in good faith and thereafter another person claims the property from the holder or another state claims the money or property under its laws relating to escheat or abandoned or unclaimed property, the treasurer of state, upon written notice of the claim, shall defend the holder against any liability on the claim.

3. The holder of an interest under section 556.5 shall deliver a duplicate certificate or other evidence of ownership if the holder does not issue certificates of ownership to the treasurer of state. Upon delivery of a duplicate certificate to the treasurer of state, the holder and any transfer agent, registrar, or other person acting for or on behalf of a holder in executing or delivering the duplicate certificate is relieved of all liability in accordance with subsections 1 and 2 to every person, including any person acquiring the original certificate or the duplicate of the certificate issued to the treasurer of state, for any losses or damages resulting to any person by the issuance and delivery to the treasurer of state of the duplicate certificate.

4. A holder who has paid money to the treasurer of state under this chapter may make payment to any person appearing to the holder to be entitled to payment and upon filing proof of payment and proof that the payee is entitled thereto, the treasurer of state shall reimburse the holder for the payment without imposing any fee or other charge. If reimbursement is sought for payment made on a negotiable instrument, including a traveler's check or money order, the holder must be reimbursed under this subsection upon filing proof that the instrument was duly presented and that payment was made to a person who appeared to the holder to be entitled to payment. The holder must be reimbursed for payment made under this subsection even if the payment was made to a person whose claim was barred under section 556.16.

5. A holder who has delivered property including a certificate of any interest in a business association, other than money, to the treasurer of state may reclaim the property if the property is still in the possession of the treasurer of state without paying any fee or other charge, upon filing proof that the owner has claimed the property from the holder.

6. The treasurer of state may accept the holder's affidavit as sufficient proof of the facts that entitle the holder to recover money and property under this section.

7. For purposes of this section, "good faith" means that:

a. Payment or delivery was made in a reasonable attempt to comply with this chapter.

b. The person delivering the property was not a fiduciary then in breach of trust in respect to the property and had a reasonable basis for believing, based on the facts then known to him, that the property was abandoned for the purposes of this chapter.

c. There is no showing that the records pursuant to which the delivery was made did not meet reasonable commercial standards of practice in the industry.

Sec. 18. Section 556.15, Code 1983, is amended to read as follows:

556.15 INCOME ACCRUING AFTER PAYMENT OR DELIVERY. When property other than money is paid or delivered to the state treasurer of state under this chapter, the owner is not entitled to receive income from the treasurer of state any dividends, interest, or other increments realized or accruing thereafter on the property at or before liquidation or conversion into money.

Sec. 19. Section 556.17, Code 1983, is amended by adding the following new subsections:

NEW SUBSECTION. 4. Unless the treasurer of state considers it to be in the best interest of the state to do otherwise, all securities, other than those presumed abandoned under section 556.5, delivered to the treasurer of state must be held for at least one year before the treasurer of state may sell them.

NEW SUBSECTION. 5. Unless the treasurer of state considers it to be in the best interest of the state to do otherwise, all securities presumed abandoned under section 556.5 and delivered to the treasurer of state must be held for at least three years before the treasurer of state may sell them. If the treasurer of state sells any securities delivered pursuant to section 556.5 before the expiration of the three-year period, any person making a claim pursuant to this chapter before the end of the three-year period is entitled to either the proceeds of the sale of the securities or the market value of the securities at the time the claim is made, whichever amount is greater, less any deduction for fees pursuant to section 556.18, subsection 2. A person making a claim under this chapter after the expiration of this period is entitled to receive either the securities delivered to the treasurer of state by the holder, if they still remain in the hands of the treasurer of state, or the proceeds received from the sale, less any amounts deducted pursuant to section 556.18, subsection 2, but no person has any claim under this chapter against the state, the holder, any transfer agent, registrar, or other person acting for or on behalf of a holder for any appreciation in the value of the property occurring after delivery by the holder to the treasurer of state.

Sec. 20. Section 556.18, subsection 1, Code Supplement 1983, is amended to read as follows:

1. Except as provided in subsection 3, all funds received under this chapter, including the proceeds from the sale of abandoned property under section 556.17, shall be deposited by the treasurer of state in the general funds of the state. However, the treasurer of state shall retain in a separate trust fund an amount not exceeding twenty-five one hundred thousand dollars from which the treasurer of state shall make prompt payment of claims duly allowed

under section 556.17 556.20. Any abandoned money or money received from the sale of abandoned property which totals twenty-five dollars or less becomes the property of the state on the date of receipt or sale as applicable and a claim filed for its recovery under section 556.19 shall not be allowed. Before making the deposit of more than twenty-five dollars, the treasurer of state shall record the name and last known address of each person appearing from the holders' reports to be entitled to the abandoned property and of the name and last known address of each insured person or annuitant, and with respect to each policy or contract listed in the report of a life insurance corporation, its number, the name of the corporation, and the amount due. The record shall be available for public inspection at all reasonable business hours.

Sec. 21. Section 556.20, Code Supplement 1983, is amended by striking subsections 3, 4, 5, and 6.

Sec. 22. Section 556.23, Code 1983, is amended to read as follows:

556.23 EXAMINATION OF RECORDS. The ~~auditor~~ treasurer of state may at reasonable times and upon reasonable notice examine the records of any person if ~~he~~ the treasurer of state has reason to believe that ~~such~~ the person has failed to report property that should have been reported pursuant to this chapter. If an examination of the records of a person results in the disclosure of property reportable and deliverable under this chapter, the treasurer of state may assess the cost of the examination against the holder at a rate not to exceed one hundred dollars a day for each examiner, but in no case may the charges exceed the value of the property found to be reportable and deliverable.

Sec. 23. Section 556.25, Code 1983, is amended by striking the section and inserting in lieu thereof the following:

556.25 INTEREST AND PENALTIES.

1. A person who fails to pay or deliver property within the time prescribed by this chapter shall pay the treasurer of state interest at the annual rate of eighteen percent on the property or value of the property from the date the property should have been paid or delivered but in no event prior to the effective date of this chapter.

2. A person who willfully fails to pay or deliver property to the treasurer of state as required under this chapter shall pay a civil penalty equal to twenty-five percent of the value of the property that should have been paid or delivered.

Sec. 24. Chapter 556, Code 1983, is amended by inserting after section 556.27 the following new section:

NEW SECTION. 556.27A INTERSTATE AGREEMENTS AND COOPERATION.

1. The treasurer of state may enter into agreements with other states to exchange information needed to enable this or another state to audit or otherwise determine unclaimed property that it or another state may be entitled to subject to a claim of custody. The treasurer of state by rule may require the reporting of information needed to enable compliance with agreements made pursuant to this section and prescribe the form.

2. To avoid conflicts between the treasurer of state's procedures and the procedures of unclaimed property administrators in other jurisdictions that enact the Uniform Unclaimed Property Act, the treasurer of state, so far as is consistent with the purposes, policies, and provisions of this chapter, before adopting, amending or repealing rules, shall advise and consult with the unclaimed property administrators in other jurisdictions that enact substantially the Uniform Unclaimed Property Act and take into consideration the rules of unclaimed property administrators in other jurisdictions that enact the Uniform Unclaimed Property Act.

3. The treasurer of state may join with other states to seek enforcement of this chapter against any person who is or may be holding property reportable under this chapter.

4. At the request of another state, the attorney general of this state may bring an action in the name of the unclaimed property administrator of the other state in any court of competent jurisdiction to enforce the unclaimed property laws of the other state against a holder in this state of property subject to escheat or a claim of abandonment by the other state, if the other state has agreed to pay expenses incurred by the attorney general in bringing the action.

5. The treasurer of state may request that the attorney general of another state or any other person bring an action in the name of the unclaimed property administrator in the other state. The state shall pay all expenses including attorney's fees in any action under this subsection. Any expenses paid pursuant to this subsection may not be deducted from the amount that is subject to the claim by the owner under this chapter.

Sec. 25. Sections 556.30, 556.31, 556.32, 556.33, 556.34, 556.35, and 556.36, Code 1983, are repealed.

Sec. 26. All agreements to pay compensation to recover or assist in the recovery of property reported under section 556.11, made within twenty-four months after the date payment or delivery is made under section 556.13 are unenforceable.

Sec. 27. This Act, being deemed of immediate importance, takes effect from and after its publication in the *Waverly Democrat*, a newspaper published in Waverly, Iowa, and in the *Iowa City Press-Citizen*, a newspaper published in Iowa City, Iowa.

Approved May 7, 1984

I hereby certify that the foregoing Act, House File 2522 was published in the *Waverly Democrat*, Waverly, Iowa on May 10, 1984 and in the *Iowa City Press-Citizen*, Iowa City, Iowa on May 14, 1984.

MARY JANE ODELL, *Secretary of State*