



# HOUSE BILL 294: Unclaimed Property Notice Requirements.

2017-2018 General Assembly

<b>Committee:</b>	House Regulatory Reform	<b>Date:</b>	April 25, 2017
<b>Introduced by:</b>	Rep. Hurley	<b>Prepared by:</b>	Jeff Hudson
<b>Analysis of:</b>	PCS to First Edition H294-CSSB-11 [v.4]		Committee Counsel

**OVERVIEW:** *The Proposed Committee Substitute for House Bill 294 (PCS) would amend the laws governing abandoned property under the North Carolina Unclaimed Property Act.*

### CURRENT LAW:

Under current law, a holder of property that is presumed abandoned must make a good faith effort to locate an apparent owner of the property. If the property is worth more than \$50.00, the holder must send written notice, by first-class mail, to the apparent owner, not more than 120 days or less than 60 days before filing an abandoned property report with the State Treasurer. The notice must be sent to the last known address of the apparent owner. The notice must contain all of the following:

- A statement that property is being held to which the addressee appears entitled and the amount or description of the property.
- The name and address of the person holding the property.
- A statement that, if satisfactory proof of claim is not presented by the owner to the holder by the following October 1 or, if the holder is an insurance company, by the following April 1, the property will be placed in the custody of the State Treasurer.

Section 2 of S.L. 2015-68 repealed a provision of law that allowed the Treasurer to destroy or otherwise dispose of property delivered to the State Treasurer if the property had no substantial commercial value. This repeal was effective October 1, 2015.

### BILL ANALYSIS:

Section 1 would repeal Section 2 of S.L. 2015-68 effective retroactively to October 1, 2015.

Section 2 would make the following changes to the notice requirements for abandoned property effective October 1, 2017:

- Lower the threshold for the notice of abandoned property for security, stock, or other equity interest in a business association to \$25.00 or more.
- Provide that the holder of presumed abandoned property must exercise reasonable care to ascertain that it is sending the written notice to the apparent owner's correct address.
- Require that the notice include a statement that, once property is placed in the custody of the Treasurer, all interest, dividends, income, and gains earned on the property will remain with the Treasurer, even if the owner subsequently reclaims the property from the Treasurer.

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- Clarify that violations of the notice requirements are subject to the penalties applicable to other violations of the North Carolina Unclaimed Property Act.

Sections 3 and 4 would make other clarifying and conforming changes.

**EFFECTIVE DATE:** Except as otherwise provided, this act would become effective when it becomes law.