



2017-2018 General Assembly

HOUSE BILL 294: Unclaimed Property Notice Requirements/Modify Various Board Term Limits.

Committee:		Date:	August 11, 2017
Introduced by:		Prepared by:	Bill Patterson Staff Attorney
Analysis of:	S.L. 2017-134		

OVERVIEW: S.L. 2017-134:

- *Amends notice requirements under the North Carolina Unclaimed Property Act (NCUPA), effective October 1, 2017.*
- *Restores the Treasurer's authority under the NCUPA to dispose of abandoned property having no substantial commercial value, retroactively effective October 1, 2015.*
- *Makes other technical and conforming changes to the NCUPA, effective July 20, 2017.*
- *Modifies term limits of certain members of the Vocational Rehabilitation Council and the Board of Trustees of the North Carolina Museum of Art, effective July 20, 2017.*

CURRENT LAW:

Under the NCUPA 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.

Effective October 1, 2015, Section 2 of S.L. 2015-68 removed the Treasurer's authority to destroy or otherwise dispose of property delivered to the State Treasurer if the property had no substantial commercial value.

BILL ANALYSIS:

Section 1 restores the Treasurer's authority to dispose of abandoned property having no substantial commercial value.

Section 2 makes the following changes to the notice requirements for abandoned property:

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- Lowers the threshold for the notice of abandoned property for security, stock, or other equity interest in a business association to \$25.00 or more.
- Provides 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.
- Requires that the notice include the contact information of the person holding the property and 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.
- Clarifies that violations of the notice requirements are subject to the penalties applicable to other violations of the NCUPA.

Sections 3 and 4 make clarifying and conforming changes to the NCUPA.

Section 5.(a) eliminates the limit of two consecutive terms for the member of the Vocational Rehabilitation Council representing a parent training and information center.

Section 5.(b) extends from two years to four years the term of General Assembly appointees to the Board of Trustees of the North Carolina Museum of Art and increases the number of consecutive terms they may serve from two to three.

EFFECTIVE DATE: Section 1 of the act is retroactively effective October 1, 2015. Section 2 of the act becomes effective October 1, 2017. The remainder of the act became effective July 20, 2017.

Jeff Hudson, counsel to the House Regulatory Reform Committee, substantially contributed to this summary.