



HOUSE BILL 155: Unclaimed Property Changes.

2019-2020 General Assembly

Committee:	House Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	March 13, 2019
Introduced by:	Rep. Hurley	Prepared by:	Greg Roney Staff Attorney
Analysis of:	First Edition		

OVERVIEW: *House Bill 155 would create a new Article in the General Statutes governing the Treasurer's authority over escheated property, move the rules for escheated property into the new Article, and declare a purpose for the new Article. Additionally, the bill makes administrative changes including: explicitly stating the Treasurer is not responsible for value changes while holding noncash assets; authorizing the Treasurer to seek a court order to deliver funds; updating filing requirements for holders of unclaimed property; and explicitly authorizing refunds of property erroneously paid to the Treasurer.*

CURRENT LAW: Chapter 116B of the General Statutes authorizes the State Treasurer to handle property that escheats to the State. Examples of property that can escheat include bank accounts, wages, utility deposits, insurance policy proceeds, stocks, bonds, and contents of safe deposit boxes. Earnings on the escheat funds are given to the North Carolina State Educational Assistance Authority.

BILL ANALYSIS: House Bill 155 would create a new Article 1A of Chapter 116B of the General Statutes titled "Escheats" and move the existing statutes into the new Article. The General Assembly declares the purpose of the new Article as follows:

The policy of the State is to recover and transfer property to rightful owners in a manner that is consistent with the interest of the rightful owners. Where the rightful owner cannot be appropriately determined, it is the policy of the State that all benefits realized from any unclaimed or abandoned property shall accrue to the benefit of higher education for the residents of the State. This Chapter shall be liberally interpreted in a manner that fulfills these purposes."

House Bill 155 would also make the following 5 administrative changes to the existing escheat statutes:

- Explicitly stating the Treasurer is not responsible for "loss" in value of noncash property. Current law states the Treasurer has no liability for "income or gain." This change clarifies that the Treasurer is not a fiduciary with a responsibility to manage noncash assets.
- Authorizing the Treasurer to order property be delivered. However, only the Superior Court of Wake County has the authority to enforce an order of the Treasurer.
- Requiring holders of property to file reports electronically starting January 1, 2020.
- Disallowing aggregate reports for assets that are securities.
- Explicitly authorizing refunds of property erroneously paid to the Treasurer.

The bill makes conforming changes to correct statutory references.

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EFFECTIVE DATE: House Bill 155 would be effective when it becomes law except the requirement to file all reports electronically begins January 1, 2020.