

17: 9-21

LEGISLATIVE HISTORY CHECKLIST

NJSA 17:9-21 (Banks required to notify inactive depositors after 9 years)

LAWS 1981 CHAPTER 402

Bill No. A1483

Sponsor(s) Kalik and others

Date Introduced April 17, 1980

Committee: Assembly Banking

Senate Labor, Industry and Professions

Amended during passage Yes ~~No~~ Amendments during passage denoted by asterisks

Date of Passage: Assembly Nov. 24, 1980

Senate Nov. 16, 1981

Date of approval Jan. 6, 1982

Following statements are attached if available:

Sponsor statement	Yes	No	(Below) Also attached: Assembly amendments adopted 11-23-81 (with statement)
Committee Statement: Assembly	Yes	No	
Senate	Yes	No	
Fiscal Note	Yes	No	
Veto Message	Yes XXX	No	
Message on signing	Yes	No	

Following were printed:

Reports	Yes XXX	No
Hearings	Yes XXX	No

Sponsors' statement:

This bill amends P.L. 1945, c199 to require a bank to notify a bank account depositor at his last known address after a period of inactivity of 5 years instead of publicizing the account in the newspaper. Publication would be mandatory at the end of 10 years.

6/22/81

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ASSEMBLY, No. 1483

STATE OF NEW JERSEY

INTRODUCED APRIL 17, 1980

By Assemblywoman KALIK, Assemblymen DALTON,
JANISZEWSKI, BAER and COSTELLO

Referred to Committee on Banking and Insurance

AN ACT to amend "An act providing for the escheat of unclaimed
bank deposits," approved April 20, 1945 (P. L. 1945, c. 199).1 BE IT ENACTED by the Senate and General Assembly of the State
2 of New Jersey:1 1. Section 4 of P. L. 1945, c. 199 (C. 17:9-21) is amended to read
2 as follows:3 4. a. ***[Every bank having an unclaimed bank deposit in which no**
4 **transaction has occurred for the preceding 5 consecutive years shall**
5 **notify each person whose name appears on the account by both**
6 **first class and by certified mail return receipt requested at the last**
7 **address of the depositor appearing on bank records that the account**
8 **has been inactive for the preceding 5 consecutive years and may be**
9 **subject to escheat if it remains dormant.]***10 ***[b.]* For ***[advertisement]*** ***the*** purposes ***of this section,***
11 **an unclaimed bank deposit shall be deemed to be one in which ***as****
12 **of August 1 of a particular year* no transaction has occurred**
13 ***[for]* ***during*** the preceding **[5]** **[10]** ***9*** consecutive years.****14 ***b. Every bank having any such unclaimed deposits shall, prior**
15 **to August 15 of the year in which it becomes an unclaimed deposit,**
16 **mail a "notice of unclaimed deposit" to the owner or owners of**
17 **each such account as the name and address of the owner or owners**
18 **appear on the records of the bank, provided, however, that the**
19 **bank need not mail the notice to an owner or owners if any mailings**
20 **by the bank to that owner or owners within the prior year were**
21 **returned to the bank as undeliverable. The notice of unclaimed**
22 **deposit shall be in such form as shall be approved by the State**
23 **Treasurer and shall set forth the name of the bank and where the**
24 **name of the bank has been changed by merger, reorganization, con-**
25 **solidation or otherwise, shall also set forth the original name and****EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.**

26 address of the bank in which the deposit originated, the name of
27 the owner or owners and a statement that the balance of the account
28 will be paid over to the State on the following January unless the
29 bank is contacted in writing by the owner or representative of
30 the owner. If such a written response is received by the bank, the
31 response shall be deemed to be a transaction with respect to the
32 account and the account thereafter shall not be deemed to continue
33 to be an unclaimed bank deposit for the purposes of advertising as
34 set forth in subsection c. of this section**.**

35 c.* Every bank having any such unclaimed bank deposits shall
36 cause to be advertised on 1 day during the second week of the month
37 of October and on 1 day during the second week of the month of
38 November, printed in 8-point size type in a newspaper published
39 in New Jersey which circulates in the county in which the bank has
40 its principal office, and if it has offices in more than one county
41 then in such a newspaper published or circulating in each county
42 in which the bank has an office, a notice entitled "notice of the
43 names of persons appearing as the owners of unclaimed amounts
44 held by (name of bank)." ***[**After initial publication of the name
45 of an owner of such unclaimed deposit, the bank shall publish the
46 name at the time such deposit escheats to the State pursuant to
47 section 3 of the act to which this act is amendatory.]* *****[****The
48 bank shall publish the name of an owner of the unclaimed deposit at
49 the time the deposit escheats to the State pursuant to section 3 of
50 P. L. 1945, c. 199 (C. 17:9-20).**]******* Such notice shall be in such
51 form as shall be approved by the State Treasurer and shall set forth
52 the name and address of the bank and where the name of the bank
53 has been changed by merger, reorganization, consolidation or other-
54 wise, shall also set forth the original name and address of the bank
55 in which the deposit originated, and shall list in alphabetical order
56 the name of each person to whose credit an unclaimed bank de-
57 posit stands, ***[**the last address of the depositor appearing on the
58 records of the bank, the identification number, if any, of each ac-
59 count]***** but not the amount to the credit of each account, but no
60 account shall be advertised in which the unpaid balance is less
61 than \$50.00. Any amount paid to a newspaper for such publication
62 shall be charged by the bank equally against the unclaimed bank
63 deposits so advertised.

1 2. This act shall take effect immediately.

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1483

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 10, 1980

This legislation changes present law governing the escheat of unclaimed bank deposits. Last session, the Legislature enacted P. L. 1979, c. 174, which required the publication of names of account holders who hold accounts in which no transaction has occurred for the preceding 5 years. That law has resulted in some complaints by individuals who hold accounts, notably time deposits, which have a longer maturity than 5 years and are now subject to being advertised as dormant accounts even though they are still current accounts.

This legislation, as amended by the Assembly Banking and Insurance Committee, would require advertisement after 9 years; accounts would escheat to the State after 10 years. During the ninth year, a bank would be required to mail a notice of unclaimed deposit prior to August 15, containing a notice that the deposit will escheat to the State unless the bank is contacted in writing by the depositor. The committee amendments also delete from present law the requirement that a bank publish the name of the account holder at the time the deposit escheats to the State, as well as the requirement that the identification number of the account be published.

The committee has also deleted the requirement provided in the bill that a bank notify a depositor of possible escheat after 5 years.

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ASSEMBLY AMENDMENT TO
SENATE COMMITTEE AMENDMENTS TO
ASSEMBLY, No. 1483
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STATE OF NEW JERSEY

ADOPTED NOVEMBER 23, 1981

Amend page 2, section 1, lines 47-50, omit "***The bank" on line 47, all of lines 48 and 49, and "P. L. 1945, c. 199 (C. 17:9-20).**" on line 50.

STATEMENT

The purpose of the amendment is to eliminate the third publication of a consumer's name in the newspaper in the interest of privacy and cost to the consumer. The third consecutive advertisement in a 4-month period is unnecessary since consumers would already have received a letter from their bank advising them that their account might escheat to the State, as well as two newspaper advertisements.

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SENATE LABOR, INDUSTRY AND
PROFESSIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1483

with Assembly committee amendments and
Senate committee amendments

STATE OF NEW JERSEY

DATED: JUNE 25, 1981

This bill would require a bank to notify a depositor by mail, prior to August 15, of any unclaimed deposits in an account left dormant for 9 years. The notice would contain a statement that the balance of the account would escheat to the State on the following January unless the bank is contacted in writing by the owner of the account or his representative. If the owner does not respond to the notice, the bank would be required to publish his name in the newspaper once in October, and once in November, under the heading "notice of the names of persons appearing as the owners of unclaimed amounts held by (name of bank)." The owner's address and account number would not be required in the advertisement.

The bank would no longer be required to publish "notice of an unclaimed deposit" after 5 years.

P. L. 1979, c. 174 required banks to publish advertisements of unclaimed bank deposits twice in the fifth year of inactivity and twice in the tenth year of inactivity, so that consumers would have an opportunity to activate their accounts before escheat to the State. The cost of his publication, however, is borne by the consumer, and in the case of escheat, by the State. Assembly Bill No. 1483 reduces this expense by requiring publication in the ninth year only.

The 1979 law required the publication of the depositor's last known address and account number, causing numerous complaints from customers of invasion of privacy. Assembly Bill No. 1483 deletes the requirement that the address and account number be published. In addition, the bill requires prior notification by mail, thus allowing the customer to avoid advertisement of his unclaimed deposit by responding to the mailed notice.

The Senate Labor, Industry, and Professions Committee made technical amendments to the bill.