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105.3

P.L. 2002, CHAPTER 35, *approved July 1, 2002*  
Assembly, No. 2507 (*First Reprint*)

1 AN ACT concerning the escheat of unclaimed property to the State  
2 <sup>1</sup>[and],<sup>1</sup> amending and supplementing chapter 30B of Title 46 of  
3 the Revised Statutes <sup>1</sup>and repealing R.S.46:30B-35<sup>1</sup>.

4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7

8 1. R.S.46:30B-1 is amended to read as follows:

9 46:30B-1. Short title. This chapter shall be known and may be  
10 cited as the "Uniform Unclaimed Property Act [(1981)]."

11 (cf: R.S.46:30B-1)

12

13 2. R.S.46:30B-4 is amended to read as follows:

14 46:30B-4. Effect of chapter on duty of holder to report, pay <sup>1</sup>[or]  
15 and<sup>1</sup> deliver property under prior law. This chapter does not relieve  
16 a holder of a duty that arose before the effective date of this chapter  
17 to report, pay, or deliver property. A holder who did not comply with  
18 the law in effect before the effective date of this chapter is subject to  
19 the applicable enforcement and penalty provisions that then existed  
20 and they are continued in effect for the purpose of this section, subject  
21 to R.S.46:30B-89; however, after the effective date of this chapter, the  
22 interest and penalties set forth in article 34 of this chapter shall be  
23 assessed against the holder for failure to report, pay [and] or deliver  
24 the property presumed abandoned in accordance with the prior  
25 statutory provisions.

26 (cf: R.S.46:30B-4)

27

28 3. R.S.46:30B-6 is amended to read as follows:

29 46:30B-6. Definitions.

30 As used in this chapter:

31 a. "Administrator" means the Treasurer of the State of New Jersey,

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Assembly ABU committee amendments adopted June 13, 2002.

1 any individual serving as the Acting Treasurer in the absence of the  
2 appointed Treasurer, and any State employee to whom the Treasurer  
3 has delegated authority to administer the provisions of this chapter and  
4 to execute any pertinent documents;

5 b. "Apparent owner" means the person whose name appears on the  
6 records of the holder as the person entitled to property held, issued,  
7 or owing by the holder;

8 c. ["Banking organization" means any bank, trust company,  
9 savings bank, safe deposit company, private banker, or any  
10 organization defined by other law as a bank or banking organization]  
11 Deleted by amendment, P.L. , c. (now pending before the  
12 Legislature as this bill);

13 d. "Business association" means a [nonpublic] corporation, joint  
14 stock company, investment company, business trust, partnership, [or]  
15 unincorporated association [for business purposes of two or more  
16 individuals, whether or not for profit, including a banking  
17 organization, financial organization, insurance company, or utility] ,  
18 joint venture, limited liability company, safe deposit company,  
19 safekeeping depository, financial organization, insurance company,  
20 mutual fund, utility or other business entity consisting of one or more  
21 persons, whether or not for profit;

22 e. "Domicile" means the state of incorporation of a corporation and  
23 the state of the principal place of business of an unincorporated  
24 person;

25 f. "Financial organization" means a savings and loan association,  
26 building and loan association, [or] credit union, savings bank,  
27 industrial bank, bank, banking organization, trust company, safe  
28 deposit company, private banker, or any organization defined by other  
29 law as a bank or banking organization;

30 g. "Holder" means a person, wherever organized or domiciled, who  
31 is[:

32 (1) In possession of property belonging to another,

33 (2) A trustee, or

34 (3) Indebted to another on an obligation]

35 the original obligor indebted to another on an obligation;

36 h. "Insurance company" means an association, corporation,  
37 fraternal or mutual benefit organization, whether or not for profit,  
38 which is engaged in providing insurance coverage, including accident,  
39 burial, casualty, credit life, contract performance, dental, fidelity, fire,  
40 health, hospitalization, illness, life (including endowments and  
41 annuities), malpractice, marine, mortgage, surety, and wage protection  
42 insurance;

43 i. ["Intangible property" includes:

44 (1) Moneys, checks, drafts, deposits, interest, dividends, and  
45 income;

- 1 (2) Credit balances, customer overpayments, security deposits,  
2 refunds, credit memos, unpaid wages, unused airline tickets, and  
3 unidentified remittances;
- 4 (3) Stocks and other intangible ownership interests in business  
5 associations;
- 6 (4) Moneys deposited to redeem stocks, bonds, coupons, and other  
7 securities, or to make distributions;
- 8 (5) Amounts due and payable under the terms of insurance policies;  
9 and
- 10 (6) Amounts distributable from a trust or custodial fund established  
11 under a plan to provide health, welfare, pension, vacation, severance,  
12 retirement, death, stock purchase, profit sharing, employee savings,  
13 supplemental unemployment insurance, or similar benefits] Deleted by  
14 amendment, P.L. , c. (now pending before the Legislature as this  
15 bill);
- 16 j. ["Last known address" means a description of the location of the  
17 apparent owner sufficient for the purpose of the delivery of mail]  
18 Deleted by amendment, P.L. , c. (now pending before the  
19 Legislature as this bill);
- 20 k. "Owner" means a person having a legal or equitable interest in  
21 property subject to this chapter or the person's legal representative and  
22 includes, but is not limited to, a depositor in the case of a deposit, a  
23 beneficiary in <sup>1</sup>the<sup>1</sup> case of a trust other than a deposit in trust, and a  
24 creditor, claimant, or payee in the case of other [intangible] property  
25 [, or a person having a legal or equitable interest in property subject  
26 to this chapter or his legal representative];
- 27 l. "Person" means an individual, business association, state or other  
28 government, governmental subdivision or agency, public corporation,  
29 public authority, estate, trust, two or more persons having a joint or  
30 common interest, or any other legal or commercial entity;
- 31 m. "State" means any state in the United States, district,  
32 commonwealth, territory, insular possession, or any other area subject  
33 to the [legislative authority] jurisdiction of the United States;
- 34 n. "Utility" means a person who owns or operates for public use  
35 any plant, equipment, property, franchise, or license for the  
36 transmission of communications or the production, storage,  
37 transmission, sale, delivery, or furnishing of electricity, water, steam,  
38 or gas[.];
- 39 o. "Mineral" means gas, oil, coal, other gaseous, liquid <sup>1</sup>[.]<sup>1</sup> and  
40 solid hydrocarbons, oil shale, cement material, sand and gravel, road  
41 material, building stone, chemical raw material, gemstone, fissionable  
42 and nonfissionable ores, colloidal and other clay, steam and other  
43 geothermal resources, or any other substance defined as a mineral by  
44 the law of this State;
- 45 p. "Mineral proceeds" means amounts payable for the extraction,

1 production, or sale of minerals, or, upon the abandonment of those  
2 payments, all payments that become payable thereafter, and includes,  
3 but is not limited to, amounts payable:  
4 for the acquisition and retention of a mineral lease, including  
5 bonuses, royalties, compensatory royalties, shut-in royalties, minimum  
6 royalties, and delay rentals;  
7 for the extraction, production, or sale of minerals, including net  
8 revenue interests, royalties, overriding royalties, extraction payments,  
9 and production payments; and  
10 under an agreement of option, including a joint operating  
11 agreement, pooling agreement, and farm-out agreement;  
12 q. "Money order" means an express money order and a personal  
13 money order, on which the remitter is the purchaser;  
14 r. "Property" means tangible property described in R.S.46:30B-45  
15 or a fixed and certain interest in intangible property that is held,  
16 issued, or owed in the course of a holder's business, or by a  
17 government, government subdivision, agency, or instrumentality, and  
18 all income or increments therefrom, and includes property that is  
19 referred to as or evidenced by:  
20 money, a check, draft, deposit, interest, or dividend;  
21 credit balance, customer's overpayment, security deposit, refund,  
22 credit memorandum, unpaid wage, unused ticket, mineral proceeds or  
23 unidentified remittance;  
24 stock or other evidence of ownership of an interest in a business  
25 association or financial organization;  
26 a bond, debenture, note, or other evidence of indebtedness;  
27 money deposited to redeem stock, bonds, coupons, or other  
28 securities or distributions;  
29 an amount due and payable under the terms of an annuity or  
30 insurance policy, including policies providing life insurance, property  
31 and casualty insurance, workers compensation insurance, or health and  
32 disability insurance; and  
33 an amount distributable from a trust or custodial fund established  
34 under a plan to provide health, welfare, pension, vacation, severance,  
35 retirement, death stock purchase, profit sharing, employee savings,  
36 supplemental unemployment, insurance, or similar benefits; and  
37 s. "Record" means information that is inscribed on a tangible  
38 medium or that is stored in an electronic or other medium and is  
39 retrievable in perceivable form.

40 (cf: R.S.46:30B-6)

41

42 4. R.S.46:30B-7 is amended to read as follows:

43 46:30B-7. When property presumed abandoned generally. Except  
44 as otherwise provided by this chapter, all [intangible] property,  
45 including any income or increment derived therefrom, less any lawful  
46 charges, whether located in this State or another state, that is held,

1 issued, owing in the ordinary course of a holder's business and has  
2 remained unclaimed by the owner for more than ~~[five]~~ three years  
3 after it became payable or distributable is presumed abandoned.

4 At the time that an interest is presumed abandoned under this  
5 section, any other property right accrued or accruing to the owner as  
6 a result of the interest, and not previously presumed abandoned, is also  
7 presumed abandoned.

8 (cf: R.S.46:30B-7)

9

10 5. R.S.46:30B-7.1 is amended to read as follows:

11 46:30B-7.1. Communication between holder and apparent owner.  
12 Property shall not be presumed abandoned if within the period that the  
13 property remains unclaimed ~~[there has been a communication between~~  
14 ~~the holder and the apparent owner. The communication shall be a~~  
15 ~~writing initiated or generated by or from the apparent owner to the~~  
16 ~~holder or issuer concerning the unclaimed property, or a memorandum~~  
17 ~~or other record on file with the holder or issuer prepared by an~~  
18 ~~employee of the holder or issuer and evidencing that the apparent~~  
19 ~~owner has indicated an interest in the property. This provision shall~~  
20 ~~apply to all property notwithstanding any specific provisions of this~~  
21 ~~chapter which do not expressly address the issue of communication~~  
22 ~~between the holder or issuer and the apparent owner during the period~~  
23 ~~that the property remains unclaimed]~~ the apparent owner  
24 communicated in writing or by other means reflected in a  
25 contemporaneous record prepared by or on behalf of the holder, with  
26 the holder concerning property or the account in which the property  
27 is held, or has otherwise indicated an interest in the property. A  
28 communication with an owner by a person other than the holder or its  
29 representative who has not in writing identified the property to the  
30 owner is not an indication of interest in the property by the owner. An  
31 indication of an owner's interest in property includes:

32 the presentment of a check or other instrument of payment of a  
33 dividend or other distribution made with respect to an account or  
34 underlying stock or other interest in a business association or financial  
35 organization or, in the case of a distribution made by electronic or  
36 similar means, evidence that the distribution has been received;

37 owner-directed activity in the account in which the property is held,  
38 including a direction by the owner to increase, decrease, or change the  
39 amount or type of property held in the account; <sup>1</sup>[and] or<sup>1</sup>

40 the payment of a premium with respect to a property interest in an  
41 insurance policy <sup>1</sup>[, but the].

42 The<sup>1</sup> application of an automatic premium loan provision or other  
43 nonforfeiture provision contained in an insurance policy does not  
44 prevent a policy from maturing or terminating if the insured has died  
45 or the insured or the beneficiary of the policy has otherwise become  
46 entitled to the proceeds before the depletion of the cash surrender

1 value of a policy by the application of those provisions.

2 (cf: R.S.46:30B-7.1)

3

4 6. (New section) Limitation on holder's power to impose charges.

5 A holder may not deduct from the amount due a person who has a  
6 legal or equitable interest in any property subject to chapter 30 B of  
7 Title 46 of the Revised Statutes any charges due to dormancy or  
8 inactivity, unless:

9 there is an enforceable written contract between the holder and the  
10 owner of the property pursuant to which the holder may impose a  
11 charge; and

12 the holder regularly imposes charges and does not regularly reverse  
13 or otherwise cancel those charges with respect to the property, the  
14 amount of any charges is not unconscionable, and no additional  
15 charges are imposed as a result of escheatment of the property.

16

17 7. R.S.46:30B-9 is amended to read as follows:

18 46:30B-9. When property subject to custody. Unless otherwise  
19 provided in this chapter or by other statute of this State, **[intangible]**  
20 property is subject to the custody of this State as unclaimed property  
21 if the conditions raising a presumption of abandonment under Articles  
22 2 and 5 through 16 of this chapter are satisfied and the conditions  
23 under R.S.46:30B-10 are satisfied. The common law doctrine of bona  
24 vacantia shall remain viable with respect to unclaimed property not  
25 covered by this chapter or another statute of this State.

26 (cf: R.S.46:30B-9)

27

28 8. R.S.46:30B-10 is amended to read as follows:

29 46:30B-10. Further conditions to be satisfied to subject property  
30 to custody. To subject **[intangible personal]** property to the custody  
31 of this State as unclaimed property, the following conditions shall be  
32 also satisfied:

33 a. The last known address, as shown on the records of the holder,  
34 of the apparent owner is in this State;

35 b. The records of the holder do not reflect the identity of the  
36 person entitled to the property and it is established that the last known  
37 address of the person entitled to the property is in this State;

38 c. The records of the holder do not reflect the last known address  
39 of the apparent owner, and it is established that:

40 (1) The last known address of the person entitled to the property  
41 is in this State, or

42 (2) The holder is a domiciliary or a government or governmental  
43 subdivision or agency of this State and has not previously paid or  
44 delivered the property to the state of the last known address of the  
45 apparent owner or other person entitled to the property;

46 d. The last known address, as shown on the records of the holder,



1 of the apparent owner is in a state that does not provide by law for the  
2 escheat or custodial taking of the property or its escheat or unclaimed  
3 property law is not applicable to the property and the holder is a  
4 domiciliary or a government or governmental subdivision or agency of  
5 this State;

6 e. The last known address, as shown on the records of the holder,  
7 of the apparent owner is in a foreign nation and the holder is a  
8 domiciliary or a government or governmental subdivision or agency of  
9 this State; or

10 f. The transaction out of which the property arose occurred in this  
11 State, and

12 (1) The last known address of the apparent owner or other person  
13 entitled to the property is unknown, or

14 (2) The last known address of the apparent owner or other person  
15 entitled to the property is in a state that does not provide by law for  
16 the escheat or custodial taking of the property or its escheat or  
17 unclaimed property law is not applicable to the property, [and] <sup>1</sup>[ or]  
18 and<sup>1</sup>

19 (3) The holder is a domiciliary of a state that does not provide by  
20 law for the escheat or custodial taking of the property or its escheat  
21 or unclaimed property law is not applicable to the property [and] <sup>1</sup>[.  
22 or

23 (4) The holder is domiciled in a state that does not provide for the  
24 escheat or custodial taking of the property, and the last known address  
25 of the apparent owner or other person entitled to the property is  
26 unknown or is in a state that does not provide for the escheat or  
27 custodial taking of the property]<sup>1</sup>.

28 (cf: R.S.46:30B-10)

29

30 9. (New section) Presumption of abandonment after issuance. A  
31 record of the issuance of a check, draft, or similar instrument is prima  
32 facie evidence of an obligation. In claiming property from a holder  
33 who is also the issuer, the administrator's burden of proof as to the  
34 existence and amount of the property and its abandonment is satisfied  
35 by showing issuance of the instrument and passage of the requisite  
36 period of abandonment. Defenses of payment, satisfaction, discharge,  
37 and want of consideration are affirmative defenses that shall be  
38 established by the holder.

39

40 10. R.S.46:30B-11 is amended to read as follows:

41 46:30B-11. Presumption of abandonment of travelers check.  
42 Subject to R.S.46:30B-14, any sum payable on a travelers check that  
43 has been outstanding for more than 15 years after its issuance is  
44 presumed abandoned unless the owner, within 15 years, has  
45 communicated in writing with the issuer concerning it or otherwise  
46 indicated an interest as evidenced by a contemporaneous memorandum

1 or other record on file prepared by an employee of the issuer.  
2 (cf: R.S.46:30B-11)

3

4 11. R.S.46:30B-12 is amended to read as follows:

5 46:30B-12. Presumption of abandonment of money order. Subject  
6 to R.S.46:30B-14, any sum payable on a money order or similar  
7 written instrument[, other than a third-party bank check,] that has  
8 been outstanding for more than [seven] <sup>1</sup>[three] seven<sup>1</sup> years after its  
9 issuance is presumed abandoned unless the owner, within [seven]  
10 <sup>1</sup>[three] seven<sup>1</sup> years, has communicated in writing with the issuer  
11 concerning it or otherwise indicated an interest as evidenced by a  
12 contemporaneous memorandum or other record on file prepared by an  
13 employee of the issuer.

14 (cf: R.S.46:30B-12)

15

16 12. R.S.46:30B-13 is amended to read as follows:

17 46:30B-13. Limitation on holder's power to impose service  
18 charges. A holder may not deduct from the amount of a travelers  
19 check or money order any charge imposed by reason of the failure to  
20 present the instrument for payment unless there is a valid and  
21 enforceable written contract between the issuer and the owner of the  
22 instrument pursuant to which the issuer may impose a charge and the  
23 issuer regularly imposes the charges and does not regularly reverse or  
24 otherwise cancel them. The amount of the deduction shall be limited  
25 to an amount that is not unconscionable.

26 (cf: R.S.46:30B-13)

27

28 13. R.S.46:30B-16 is amended to read as follows:

29 46:30B-16. Presumption of abandonment. Any sum payable on a  
30 check, draft, or similar instrument, except those subject to  
31 R.S.46:30B-11 and R.S.46:30B-12, on which a [banking or] financial  
32 organization is directly liable, including a cashier's check and a  
33 certified check, which has been outstanding for more than [five] three  
34 years after it was payable on demand, is presumed abandoned, unless  
35 the owner, within [five] three years, has communicated in writing with  
36 the [banking or] financial organization concerning it or otherwise  
37 indicated an interest as evidenced by a contemporaneous memorandum  
38 or other record on file prepared by an employee thereof.

39 (cf: R.S.46:30B-16)

40

41 14. R.S.46:30B-17 is amended to read as follows:

42 46:30B-17. Limitation on holder's power to impose charges. A  
43 holder may not deduct from the amount of any instrument subject to  
44 R.S.46:30B-16 any charge imposed by reason of the failure to present  
45 the instrument for payment unless there is a valid and enforceable

1 written contract between the holder and the owner of the instrument  
2 pursuant to which the holder may impose a charge, and the holder  
3 regularly imposes the charges and does not regularly reverse or  
4 otherwise cancel them. The amount of the deduction shall be limited  
5 to an amount that is not unconscionable.

6 (cf: R.S.46:30B-17)

7

8 15. R.S.46:30B-18 is amended to read as follows:

9 46:30B-18. Presumption of abandonment. [Any] A demand,  
10 savings, or [matured] time deposit [with a banking or financial  
11 organization], including a deposit that is automatically renewable, and  
12 any funds paid toward the purchase of a share, a mutual fund  
13 investment certificate, or any other interest in a [banking or] financial  
14 organization is presumed abandoned [unless the owner, within  
15 10 years,] three years after the earlier of maturity or the date of the  
16 last indication by the owner of interest in the property, but a deposit  
17 that is automatically renewable is deemed matured for the purposes of  
18 this section upon its initial date of maturity, unless the owner has  
19 consented to a renewal at or about the time of renewal and the  
20 consent is in writing or is evidenced by a contemporaneous  
21 memorandum or other record on file with the holder, provided,  
22 however, that such abandonment shall not be deemed to have occurred  
23 if the owner, within the time period stated above has:

24 a. In the case of a deposit, increased or decreased its amount or  
25 presented the passbook or other similar evidence of the deposit for the  
26 crediting of interest;

27 b. Communicated in writing with the [banking or] financial  
28 organization concerning the property;

29 c. Otherwise indicated an interest in the property as evidenced by  
30 a contemporaneous memorandum or other record on file prepared by  
31 an employee of the [banking or] financial organization;

32 d. Owned other property to which subsection a., b., or c. applies  
33 and if the [banking or] financial organization communicates in writing  
34 with the owner with regard to the property that would otherwise be  
35 presumed abandoned under this section at the address to which  
36 communications regarding the other property regularly are sent; or

37 e. Had another relationship with the [banking or] financial  
38 organization concerning which the owner has:

39 (1) Communicated in writing with the [banking or] financial  
40 organization, or

41 (2) Otherwise indicated an interest as evidenced by a  
42 contemporaneous memorandum or other record on file prepared by an  
43 employee of the [banking or] financial organization and if the  
44 [banking or] financial organization communicates in writing with the  
45 owner with regard to the property that would otherwise be abandoned

1 under this section at the address to which communications regarding  
2 the other relationship regularly are sent.

3 (cf: R.S.46:30B-18)

4

5 16. R.S.46:30B-20 is amended to read as follows:

6 46:30B-20. Limitation on holder's power to impose charges. A  
7 holder may not impose with respect to property described in  
8 R.S.46:30B-18 any charge due to dormancy or inactivity or cease  
9 payment of interest unless:

10 a. There is an enforceable written contract between the holder and  
11 the owner of the property pursuant to which the holder may impose a  
12 charge or cease payment of interest;

13 b. For property in excess of \$2.00, the holder, no more than three  
14 months before the initial imposition of those charges or cessation of  
15 interest, has given written notice to the owner of the amount of those  
16 charges at the last known address of the owner stating that those  
17 charges will be imposed or that interest will cease, but the notice  
18 provided in this subsection need not be given with respect to charges  
19 imposed or interest ceased before the effective date of this chapter;  
20 and

21 c. The holder regularly imposes the charges or ceases payment of  
22 interest and does not regularly reverse or otherwise cancel them or  
23 retroactively credit interest with respect to the property. The amount  
24 of the deduction shall be limited to an amount that is not  
25 unconscionable. Also, no additional charges shall be assessed as the  
26 result of escheatment of the property.

27 (cf: R.S.46:30B-20)

28

29 17. R.S.46:30B-21 is amended to read as follows:

30 46:30B-21. When automatically renewable property is matured.  
31 Any property described in R.S.46:30B-18 that is automatically  
32 renewable is matured for purposes of R.S.46:30B-18 upon the  
33 expiration of its initial time period, but in the case of any renewal by  
34 communicating in writing with the [banking or] financial organization  
35 or otherwise indicating consent as evidenced by a contemporaneous  
36 memorandum or other record on file prepared by an employee of the  
37 organization, the property is matured upon the expiration of the last  
38 time period for which consent was given. If, at the time provided for  
39 delivery in Article 19 of this chapter, a penalty or forfeiture in the  
40 payment of interest would result from the delivery of the property, the  
41 time for delivery is extended until the time when a penalty or forfeiture  
42 would not result.

43 (cf: R.S.46:30B-21)

44

45 18. R.S.46:30B-22 is amended to read as follows:

46 46:30B-22. Presumption of abandonment. Funds held or owing

1 under any life or endowment insurance policy or annuity contract that  
2 has matured or terminated are presumed abandoned if unclaimed for  
3 more than ~~five~~ three years after the funds became due and payable  
4 as established from the records of the insurance company holding or  
5 owing the funds, but property described in subsection b. of  
6 R.S.46:30B-24 is presumed abandoned if unclaimed for more than two  
7 years.

8 (cf: R.S.46:30B-22)

9

10 19. R.S.46:30B-24 is amended to read as follows:

11 46:30B-24. Determining maturity of insurance policy or annuity  
12 contract. For purposes of this article, a life or endowment insurance  
13 policy or annuity contract not matured by actual proof of death of the  
14 insured or annuitant according to the records of the company is  
15 matured and the proceeds due and payable if:

16 a. The company knows that the insured or annuitant has died; or

17 b. The insured has attained, or would have attained if he were  
18 living, the limiting age under the mortality table on which the reserve  
19 is based;

20 c. The policy was in force at the time the insured attained, or  
21 would have attained, the limiting age specified in subsection b.; and

22 d. Neither the insured nor any other person appearing to have an  
23 interest in the policy within the preceding two years, according to the  
24 records of the company, has assigned, readjusted, or paid premiums on  
25 the policy, subjected the policy to a loan, corresponded in writing with  
26 the company concerning the policy, or otherwise indicated an interest  
27 as evidenced by a contemporaneous memorandum or other record on  
28 file prepared by an employee of the company.

29 (cf: R.S.46:30B-24)

30

31 20. (New section) Property distributable by insurance company.  
32 Property distributable in the course of demutualization or related  
33 reorganization of an insurance company which remains unclaimed is  
34 deemed abandoned three years after the earlier of:

35 the date of the distribution of the property; or

36 the date of last contact with a policyholder.

37

38 21. R.S.46:30B-31 is amended to read as follows:

39 46:30B-31. Presumption of abandonment. [Except as provided in  
40 R.S.46:30B-32 and R.S.46:30B-35, stock or other intangible  
41 ownership interest in a business association, the existence of which is  
42 evidenced by records available to the association, is presumed  
43 abandoned and, with respect to the interest, the association is the  
44 holder, if a dividend, distribution, or other sum payable as a result of  
45 the interest has remained unclaimed by the owner for seven years and  
46 the owner within seven years has not:

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

4 b. Otherwise communicated with the association regarding the  
5 interest or a dividend, distribution, or other sum payable as a result of  
6 the interest, as evidenced by a memorandum or other record on file  
7 with the association prepared by an employee of the association]  
8 Stock or other interest in a business association, including a debt  
9 obligation other than a bearer bond or original issue discount bond, is  
10 presumed abandoned:

11 three years after the <sup>1</sup>[earliest] earlier<sup>1</sup> of the date of an  
12 unpresented instrument issued to pay interest or a dividend or other  
13 cash distribution, or the date of issue of an undelivered stock  
14 certificate issued as a stock dividend, split, or other distribution; or  
15 if a dividend or other distribution has not been paid on the stock or  
16 other interest for three consecutive years, or the stock or other interest  
17 is held pursuant to a plan that provides for the automatic reinvestment  
18 of dividends or other distributions, three years after the date of the  
19 second mailing of a statement of account or other notification or  
20 communication that was returned as undeliverable, or after the holder  
21 discontinued mailings to the apparent owner, whichever is earlier.

22 (cf: R.S.46:30B-31)

23

24 22. R.S.46:30B-32 is amended to read as follows:

25 46:30B-32. Presumption of abandonment for failure to claim  
26 dividend or distribution. At the expiration of a [seven-year] three-  
27 year period following the failure of the owner to claim a dividend,  
28 distribution, or other sum payable to the owner as a result of the  
29 interest, the interest is not presumed abandoned unless there have been  
30 at least [seven] three dividends, distributions, or other sums paid  
31 during the period, none of which has been claimed by the owner. If  
32 [seven] three dividends, distributions, or other sums are paid during  
33 the [seven-year] three-year period, the period leading to a  
34 presumption of abandonment commences on the date payment of the  
35 first unclaimed dividend, distribution, or other sum became due and  
36 payable. <sup>1</sup>[If [seven] three dividends, distributions, or other sums are  
37 not paid during the presumptive period, the period continues to run  
38 until there have been [seven] three dividends, distributions, or other  
39 sums that have not been claimed by the owner.]<sup>1</sup>

40 (cf: R.S.46:30B-32)

41

42 23. R.S.46:30B-33 is amended to read as follows:

43 46:30B-33. When period of abandonment ceases. The running of  
44 the [seven-year] three year period of abandonment ceases immediately  
45 upon the occurrence of a communication referred to in R.S.46:30B-31.

1 If any future dividend, distribution, or other sum payable to the owner  
2 as a result of the interest is subsequently not claimed by the owner, a  
3 new period of abandonment commences and relates back to the time  
4 a subsequent dividend, distribution, or other sum became due and  
5 payable.

6 (cf: R.S.46:30B-33)

7

8 24. R.S.46:30B-34 is amended to read as follows:

9 46:30B-34. Items presumed abandoned when interest presumed  
10 abandoned. At the time an interest is presumed abandoned under [this  
11 article, any dividend, distribution, or other sum then held for or owing  
12 to the owner] chapter 30B of Title 46 of the Revised Statutes, any  
13 other property right accrued or accruing to the owners as a result of  
14 the interest, and not previously presumed abandoned, is presumed  
15 abandoned.

16 (cf: R.S.46:30B-34)

17

18 <sup>1</sup>[25. R.S.46:30B-35 is amended to read as follows:

19 46:30B-35. Stock or other intangible interests excluded; exception.  
20 This chapter does not apply to any stock or other [intangible]  
21 ownership interest enrolled in a plan that provides for the automatic  
22 reinvestment of dividends, distributions, or other sums payable as a  
23 result of the interest unless the records available to the administrator  
24 of the plan show, with respect to any [intangible] ownership interest  
25 not enrolled in the reinvestment plan, that the owner has not within  
26 [seven] three years communicated in any manner described in  
27 R.S.46:30B-31

28 (cf: R.S.46:30B-35)]<sup>1</sup>

29

30 <sup>1</sup>[26.] 25.<sup>1</sup> R.S.46:30B-36 is amended to read as follows:

31 46:30B-36. Presumption of abandonment. [Intangible property]  
32 Property distributable in the course of a dissolution of a business  
33 association which remains unclaimed by the owner for more than one  
34 year after the date specified for final distribution is presumed  
35 abandoned.

36 (cf: R.S.46:30B-36)

37

38 <sup>1</sup>[27.] 26.<sup>1</sup> R.S.46:30B-37 is amended to read as follows:

39 46:30B-37. Presumption of abandonment. [Intangible property]  
40 Property and any income or increment derived therefrom held in a  
41 fiduciary capacity for the benefit of another person is presumed  
42 abandoned unless the owner, within [five] three years after it has  
43 become payable or distributable, has increased or decreased the  
44 principal, accepted payment of principal or income, communicated  
45 concerning the property, or otherwise indicated an interest as

1 evidenced by a contemporaneous memorandum or other record on file  
2 prepared by the fiduciary.  
3 (cf: R.S.46:30B-37)

4  
5 <sup>1</sup>[28.] 27.<sup>1</sup> R.S.46:30B-37.1 is amended to read as follows:  
6 46:30B-37.1 Presumption of abandonment: unclaimed estate  
7 assets. Except as otherwise provided in this section, property held by  
8 a fiduciary as defined in N.J.S.3B:1-1 or an assignee under  
9 N.J.S.2A:19-1 et seq. and remaining unclaimed for 90 days after the  
10 account of that fiduciary or assignee is judicially allowed by the courts  
11 or settled informally is presumed abandoned. Unclaimed property held  
12 by a fiduciary of an intestate estate payable to the unknown heirs of an  
13 intestate decedent shall be presumed abandoned 90 days after  
14 publication by the fiduciary of the notice required in N.J.S.3B:5-5.  
15 (cf: P.L.1995, c.152, s.2)

16  
17 <sup>1</sup>[29.] 28.<sup>1</sup> (New section) Debt of business association. The debt  
18 of a business association, other than bearer bonds or an original issue  
19 discount bond, is presumed abandoned three years after the date of the  
20 earliest interest payment unclaimed by the apparent owner.

21  
22 <sup>1</sup>[30.] 29.<sup>1</sup> R.S.46:30B-38 is amended to read as follows:  
23 46:30B-38. Funds in retirement account or plan. [Funds in an  
24 individual retirement account or a retirement plan for self-employed  
25 individuals or similar account or plan established pursuant to the  
26 Internal Revenue laws of the United States are not payable or  
27 distributable within the meaning of R.S.46:30B-37 unless, under the  
28 terms of the account or plan, distribution of all or part of the funds  
29 would then be mandatory] Property in an individual retirement  
30 account, defined benefit plan, or other account or plan that is qualified  
31 for tax deferral under the income tax laws of the United States  
32 becomes abandoned three years after the earliest of the date of the  
33 distribution or attempted distribution of the property, the date of the  
34 required distribution as stated in the plan or trust agreement governing  
35 the plan, or the date, if determinable by the holder, specified in the  
36 income tax laws of the United States by which distribution of the  
37 property must begin in order to avoid a tax penalty.

38 (cf: R.S.46:30B-38)

39  
40 <sup>1</sup>[31.] 30.<sup>1</sup> (New section) Funds in non-traditional individual  
41 retirement account or plan. Property in individual retirement accounts  
42 for which no distribution is required under the income tax laws of the  
43 United States becomes abandoned three years after the date of the  
44 second mailing of a statement of account or other notification or  
45 communication that was returned as undeliverable, or after the holder  
46 discontinued mailings to the apparent owner, whichever is earlier.



1       <sup>1</sup>[32.] 31.<sup>1</sup> R.S.46:30B-41 is amended to read as follows:  
2       46:30B-41. Presumption of abandonment: Superior Court and  
3 surrogate. **[Intangible property]** Property deposited or paid into the  
4 Superior Court or to the surrogate of any county in this State to the  
5 credit of a specific cause or account under the provisions of any law,  
6 order, rule, judgment, or decree and remaining unclaimed for a period  
7 of 10 years, shall be presumed abandoned.

8 (cf: R.S.46:30B-41)

9

10       <sup>1</sup>[33.] 32.<sup>1</sup> R.S.46:30B-41.1 is amended to read as follows:  
11       46:30B-41.1. Presumption of abandonment: minor's funds.  
12 **[Intangible property]** Property deposited or paid into the Superior  
13 Court or to the surrogate of any county of this State for the benefit of  
14 a person who is a minor at the time of the deposit and remaining  
15 unclaimed by that person for two years after that person reaches  
16 majority is presumed abandoned.

17 (cf: R.S.46:30B-41.1)

18

19       <sup>1</sup>[34.] 33.<sup>1</sup> R.S.46:30B-41.2 is amended to read as follows:  
20       46:30B-41.2. Presumption of abandonment: governmental entity.  
21 Except as otherwise provided in this article, any **[intangible]** property  
22 **[held by]** where the obligor is the executive, legislative, or judicial  
23 branch of the United States Government, or a state, or a county or  
24 municipal subdivision of a state, or any of their authorities, agencies,  
25 instrumentalities, administrations, services or other organizations, and  
26 remaining unclaimed for more than one year after it became payable or  
27 distributable is presumed abandoned.

28 (cf: R.S.46:30B-41.2)

29

30       <sup>1</sup>[35.] 34.<sup>1</sup> (New section) Presumption of abandonment; class  
31 actions. Property received by a court as proceeds of a class action and  
32 not distributed pursuant to the judgment is presumed abandoned one  
33 year after the <sup>1</sup>initial<sup>1</sup> distribution date.

34

35       <sup>1</sup>[36.] 35.<sup>1</sup> R.S.46:30B-42 is amended to read as follows:  
36       46:30B-42. Presumption of abandonment. **[A credit memo issued**  
37 **in the ordinary course of an issuer's business which remains unclaimed**  
38 **by the owner for more than five years after becoming payable or**  
39 **distributable is presumed abandoned]** A credit balance, customer  
40 overpayment, security deposit, refund, credit memorandum, unused  
41 ticket, or similar instrument that occurs or is issued in the ordinary  
42 course of business which remains unclaimed by the owner for more  
43 than three years after becoming payable or distributable is presumed  
44 abandoned.

45 (cf: R.S.46:30B-42)

1       <sup>1</sup>[37.] 36.<sup>1</sup> R.S.46:30B-43 is amended to read as follows:

2       46:30B-43. Amounts presumed abandoned. In the case of [a]  
3 credit [memo] balances, customer overpayments, security deposits,  
4 refunds, credit memoranda, unused tickets, or similar instruments, the  
5 amount presumed abandoned is the amount credited to the recipient  
6 [of the memo].

7 (cf: R.S.46:30B-43)

8

9       <sup>1</sup>[38.] 37.<sup>1</sup> (New section) Limitation on holder's power to impose  
10 charges. A holder may not deduct from the amount of any instrument  
11 subject to R.S.46:30B-43 any charge imposed by reason of the failure  
12 to present the instrument for payment unless there is a valid and  
13 enforceable written contract between the issuer and owner of the  
14 instrument pursuant to which the issuer may impose a charge and the  
15 issuer regularly imposes the charges and does not regularly reverse or  
16 otherwise cancel them. The amount of the deduction shall be limited  
17 to an amount that is not unconscionable.

18

19       <sup>1</sup>[39.] 38.<sup>1</sup> R.S.46:30B-47 is amended to read as follows:

20       46:30B-47. Form and contents of report. The report shall be  
21 verified and shall include:

22       a. Except with respect to travelers checks and money orders, the  
23 name, if known, and last known address, if any, of each person  
24 appearing from the records of the holder to be the owner of property  
25 of the value of [~~\$25.00~~] \$50 or more presumed abandoned under this  
26 chapter. Dividends, interest and mineral proceeds that accrue shall not  
27 be aggregated and shall be reported separately;

28       b. In the case of unclaimed funds of [~~\$25.00~~] \$50 or more held or  
29 owing under any life or endowment insurance policy or annuity  
30 contract, the full name and last known address of the insured or  
31 annuitant and of the beneficiary according to the records of the  
32 insurance company holding or owing the funds;

33       c. In the case of the contents of a safe deposit box or other  
34 safekeeping repository or of other tangible property, a description of  
35 the property, its estimated value and the place where it is held and may  
36 be inspected by the administrator and any amounts owing to the  
37 holder;

38       d. The nature and identifying number, if any, or description of the  
39 property and the amount appearing from the records to be due, but  
40 items of value under [~~\$25.00~~] \$50 each may be reported in the  
41 aggregate;

42       e. The date the property became payable, demandable, or  
43 returnable, and the date of the last transaction with the apparent owner  
44 with respect to the property;

45       f. The Social Security account number or federal identification

1 number, if available, of each person appearing to be the owner of the  
2 reported unclaimed property; and

3 g. Other information the administrator prescribes by rule as  
4 necessary for the administration of this chapter.

5 (cf: R.S.46:30B-47)

6

7 <sup>1</sup>[40.] 39.<sup>1</sup> R.S.46:30B-49 is amended to read as follows:

8 46:30B-49. Time to file report; postponement. The report shall be  
9 filed before November 1 of each year as of the preceding June 30, but  
10 the report of any life insurance company shall be filed before May 1 of  
11 each year as of the preceding December 31. [On written request by  
12 any person required to file a report, the administrator may postpone  
13 the reporting date.]

14 Before the date for filing the report, the holder of property  
15 presumed abandoned may request of the administrator an extension of  
16 the time for filing the report. The administrator may grant the  
17 extension for good cause. The holder, upon receipt of the extension,  
18 shall make an interim payment on the amount the holder estimates will  
19 ultimately be due, which terminates the accrual of additional interest  
20 on the estimated amount paid.

21 (cf: R.S.46:30B-49)

22

23 <sup>1</sup>[41.] 40.<sup>1</sup> R.S.46:30B-50 is amended to read as follows:

24 46:30B-50. Notice to apparent owner. Not more than 120 days  
25 nor less than 60 days before filing the report required by this article,  
26 the holder in possession of property presumed abandoned and subject  
27 to custody as unclaimed property under this chapter shall send <sup>1</sup>by  
28 certified mail, and with return receipt requested,<sup>1</sup> written notice to the  
29 apparent owner at [his] the last known address informing [him] the  
30 owner that the holder is in possession of property subject to this  
31 chapter if:

32 a. The holder has in its records an address for the apparent owner  
33 which the holder's records do not disclose to be inaccurate;

34 b. The claim of the apparent owner is not barred by the statute of  
35 limitations; and

36 c. The property has a value of \$50.00 or more.

37 (cf: R.S.46:30B-50)

38

39 <sup>1</sup>[42.] 41.<sup>1</sup> R.S.46:30B-51 is amended to read as follows:

40 46:30B-51. Publication of notice by administrator. The  
41 administrator shall cause a notice to be published not later than  
42 [March 1] November 30 of the year next following the year in which  
43 abandoned property has been paid or delivered to the administrator, or  
44 in the case of property reported by life insurance companies,  
45 September 1, of the year in which abandoned property has been paid

1 or delivered to the administrator <sup>1</sup>[immediately]<sup>1</sup> following the report  
2 required by Article 17 of this chapter at least once a week for two  
3 consecutive weeks in a newspaper of general circulation in the county  
4 of this State in which is located the last known address of any person  
5 to be named in the notice. If [no address is listed or] the address is  
6 outside this State, the notice shall be published in the county in which  
7 the holder of the property has its principal place of business within this  
8 State.

9 The administrator is not required to advertise the name and address  
10 or location of an owner of property having a total value of less than  
11 \$100.

12 (cf: R.S.46:30B-51)

13  
14 <sup>1</sup>[43.] 42.<sup>1</sup> R.S.46:30B-52 is amended to read as follows:

15 46:30B-52. Form and contents of notice to be published. The  
16 published notice shall contain:

17 a. The names in alphabetical order and last known addresses, if  
18 any, of persons listed in the report and entitled to notice within the  
19 county as specified in R.S.46:30B-51;

20 b. A statement that information concerning the unclaimed property  
21 may be obtained by any person having [an] legal or beneficial interest  
22 in that property by making a written inquiry to the administrator; and

23 c. A statement explaining that property of the owner is presumed  
24 to be abandoned and has been taken into the protective custody of the  
25 administrator.

26 (cf: R.S.46:30B-52)

27  
28 <sup>1</sup>[44.] 43.<sup>1</sup> R.S.46:30B-53 is amended to read as follows:

29 46:30B-53. Items which need not be included in published notice.  
30 The administrator is not required to publish in the notice any items of  
31 less than [~~\$50.00~~] \$100 unless the administrator considers their  
32 publication to be in the public interest.

33 (cf: R.S.46:30B-53)

34  
35 <sup>1</sup>[45.] 44.<sup>1</sup> R.S.46:30B-57 is amended to read as follows:

36 46:30B-57. Payment or delivery with report. At the time of the  
37 filing of the report as established by R.S.46:30B-49, a holder shall pay  
38 or deliver to the administrator all of the unclaimed property set forth  
39 in its report and all accretions thereon, except for the property  
40 provided for in R.S.46:30B-58.

41 Tangible property held in a safe deposit box or other safekeeping  
42 [depository] <sup>1</sup>repository<sup>1</sup> shall not be delivered to the administrator  
43 until 120 days after filing the report required by R.S.46:30B-47.

44 The administrator may decline to receive property reported under  
45 this chapter which the administrator considers to have value less than

1 the expenses of notice and sale.

2 (cf: R.S.46:30B-57)

3

4 <sup>1</sup>[46.] 45.<sup>1</sup> R.S.46:30B-60.1 is amended to read as follows:

5 46:30B-60.1. Transfer of ownership after delivery with report.

6 When a certificate or other evidence of ownership, or a bond or other  
7 debt security, registered in the name of a person is delivered to the  
8 administrator pursuant to any provision of this chapter and is  
9 presented by the administrator to the issuer thereof or its agent, the  
10 issuer shall transfer and register it in the name of "Treasurer, State of  
11 New Jersey," and a new certificate or security, so registered, shall be  
12 delivered to the administrator. The issuer and its transfer agent,  
13 registrar, or other person acting on behalf of the issuer in executing  
14 and delivering the certificate or security shall be fully and  
15 automatically relieved from any liability to any person for any loss or  
16 damage caused by the transfer, issuance, and delivery of the certificate  
17 or security to the administrator.

18 A record of the issuance of a check, draft, or similar instrument is  
19 prima facie evidence of an obligation. In claiming property from a  
20 holder who is also the issuer, the administrator's burden of proof as to  
21 the existence and amount of the property and its abandonment is  
22 satisfied by showing issuance of the instrument and passage of the  
23 requisite period of abandonment. Defenses of payment, satisfaction,  
24 discharge, and want of consideration are affirmative defenses that shall  
25 be established by the holder.

26 If the property reported to the administrator is a security or security  
27 entitlement under Subchapter 8 of the Uniform Commercial Code-  
28 Investment Securities, N.J.S.12A:8-101 et seq., the administrator is  
29 an appropriate person to make an endorsement, instruction, or  
30 entitlement order on behalf of the apparent owner to invoke the duty  
31 of the issuer or its transfer agent or the securities intermediary to  
32 transfer or dispose of the security or the security entitlement in  
33 accordance with Subchapter 8 of the Uniform Commercial Code-  
34 Investment Securities.

35 If the holder of the property reported to the administrator is the  
36 issuer of a certified security, the administrator has the right to obtain  
37 a replacement certificate pursuant to N.J.S.12A:8-405 of the Uniform  
38 Commercial Code-Investment Securities, but an indemnity bond is not  
39 required.

40 An issuer, the holder, any transfer agent or other person acting  
41 pursuant to the instructions of and on behalf of the issuer or holder in  
42 accordance with this section is not liable to the apparent owner and  
43 shall be indemnified against claims of any person in accordance with  
44 R.S.46:30B-65.

45 (cf: R.S.46:30B-60.1)

1       <sup>1</sup>[47.] 46.<sup>1</sup> R.S.46:30B-65 is amended to read as follows:

2       46:30B-65. Defending and indemnifying holder against claims for  
3 property paid or delivered. If the holder pays or delivers property to  
4 the administrator in good faith and thereafter another person claims  
5 the property from the holder or another state claims the money or  
6 property under its laws relating to escheat or abandoned or unclaimed  
7 property, the administrator, upon written notice of the claim, shall  
8 defend the holder against the claim and indemnify the holder against  
9 any liability on the claim to the extent of the property paid or delivered  
10 to the administrator on behalf of the apparent owner.

11 (cf: R.S.46:30B-65)

12

13       <sup>1</sup>[48.] 47.<sup>1</sup> R.S.46:30B-72 is amended to read as follows:

14       46:30B-72. Securities to be held [~~three years~~] one year before  
15 sale; rights of claimant if securities sold before or after end of  
16 [~~three-year~~] one year period. Unless the administrator considers it to  
17 be in the best interest of the State to do otherwise, all securities  
18 presumed abandoned under Article 10 of this chapter and delivered to  
19 the administrator shall be held for [~~at least three years~~] one year  
20 before [~~he~~] the administrator may sell them. If the administrator sells  
21 any securities delivered pursuant to Article 10 of this chapter before  
22 the expiration of the [~~three-year~~] one year period, any person making  
23 a claim pursuant to this chapter before the end of the [~~three-year~~] one  
24 year period is entitled to either the proceeds of the sale of the  
25 securities or the market value of the securities at the time the claim is  
26 made, whichever amount is greater, less any deduction for fees  
27 pursuant to R.S.46:30B-75. If the value of the securities is less than  
28 the cost of re-registration, then the owner shall have the option to pay  
29 the re-registration fee and receive the security or be paid the present  
30 value of the security. A person making a claim under this chapter after  
31 the expiration of this period is entitled to receive either the securities  
32 delivered to the administrator by the holder, if they still remain in the  
33 hands of the administrator, or the proceeds received from sale, less any  
34 amounts deducted pursuant to R.S.46:30B-75, but no person has any  
35 claim under this chapter against the State, the holder, any transfer  
36 agent, registrar, or other person acting for or on behalf of a holder for  
37 any appreciation in the value of the property occurring after delivery  
38 by the holder to the administrator.

39 (cf: R.S.46:30B-72)

40

41       <sup>1</sup>[49.] 48.<sup>1</sup> R.S.46:30B-76 is amended to read as follows:

42       46:30B-76. Record to be maintained by administrator. Before  
43 making any deposit of funds as provided in R.S.46:30B-74, the  
44 administrator shall record the name and last known address of each  
45 person appearing from the holder's reports to be entitled to the

1 property [and the name and last known address of each insured person  
2 or annuitant and beneficiary and with respect to each policy or  
3 contract listed in the report of an insurance company, its number, the  
4 name of the company, and the amount due]. However, the  
5 administrator shall not include in this record any information deemed  
6 confidential under R.S.46:30B-76.1. The record of the name and last  
7 known address only shall be available for the public inspection at all  
8 reasonable business hours.

9 (cf: R.S.46:30B-76)

10  
11 <sup>1</sup>[50.] 49.<sup>1</sup> R.S.46:30B-76.1 is amended to read as follows:

12 46:30B-76.1. Confidentiality of certain records. Any record or  
13 information [that] other than name and address is deemed confidential  
14 [under any New Jersey or federal law when in possession of a person  
15 shall continue to be confidential] when revealed or delivered to the  
16 administrator and shall not be considered a public record under section  
17 2 of P.L.1963, c.73 (C.47:1A-2). [Any record or information that is  
18 deemed confidential under any law of another state when in the  
19 possession of that other state shall continue to be confidential when  
20 revealed or delivered by that other state to the administrator and shall  
21 not be considered a public record under section 2 of P.L.1963, c.73  
22 (C.47:1A-2).]

23 (cf: R.S.46:30B-76.1)

24  
25 <sup>1</sup>[51.] 50.<sup>1</sup> R.S.46:30B-76.2 is amended to read as follows:

26 46:30B-76.2. Disclosure of confidential information. Confidential  
27 information concerning any aspect of unclaimed property shall be  
28 disclosed only to an apparent owner or an administrator or official of  
29 another state for escheat or unclaimed or abandoned property, if that  
30 other state accords substantially reciprocal privileges to the  
31 administrator.

32 Documents and working papers may be:

33 used by the administrator in the course of an action to collect  
34 unclaimed property or otherwise enforce chapter 30B of Title 46 of  
35 the Revised Statutes;

36 used in joint examinations conducted with or pursuant to an  
37 agreement with another state, the federal government, or any other  
38 governmental subdivision, agency, or instrumentality;

39 produced pursuant to subpoena or court order; or

40 disclosed to the abandoned property office of another state for that  
41 state's use in circumstances equivalent to those described in this  
42 section, if the state is bound to keep the documents and papers  
43 confidential.

44 (cf: R.S.46:30B-76.2)

1       <sup>1</sup>[52.] 51.<sup>1</sup> R.S.46:30B-77 is amended to read as follows  
2       46:30B-77. Filing claim; another state excluded. a. A person,  
3       excluding another state, claiming an interest in any property paid or  
4       delivered to the administrator may file with [him] the administrator a  
5       claim on a form prescribed by [him] the administrator and verified by  
6       the claimant.

7       b. The administrator shall allow the claim of persons asserting  
8       entitlement as heirs to the property of an intestate decedent paid or  
9       delivered to the administrator pursuant to N.J.S.3B:5-5 only upon  
10      receipt of (1) substantial credible evidence of heirship, (2) satisfactory  
11      evidence that a diligent investigation to locate all heirs of the decedent  
12      has been concluded, (3) the names, last known addresses, and a  
13      description of the relationships of all of the heirs of the decedent  
14      discovered as a result of that investigation, or otherwise, and (4) a  
15      release and refunding bond or other instrument satisfactory to the  
16      administrator, providing the administrator and the State with full  
17      indemnity for claims by other heirs of the decedent. The administrator  
18      shall make payment or delivery as otherwise provided in this article to  
19      the heirs in shares as prescribed in N.J.S.3B:5-3 through  
20      N.J.S.3B:5-14.

21      If the holder has filed an inaccurate or incomplete report and an  
22      owner makes a claim for the return of the property and the  
23      administrator is unable to determine if the property was reported or  
24      delivered, then the holder shall either file an amended accurate and  
25      complete report within 120 days of notice by the administrator or  
26      directly pay the owner and thereafter make a claim for reimbursement  
27      in accordance with R.S.46:30B-62. It shall be the holder's burden to  
28      establish that the owner's property was delivered with the original  
29      report.

30      (cf: P.L.1995, c.152, s.4)

31

32      <sup>1</sup>[53.] 52.<sup>1</sup> R.S.46:30B-78 is amended to read as follows:

33      46:30B-78. Time to consider claim; notice of denial. The  
34      administrator shall consider each claim within [90] 120 days after it  
35      is filed or, in the case of a claim of a person asserting an entitlement  
36      as an heir to the property of an intestate decedent, within [90]  
37      120 days of the claimant's submission of the matters (1) through (4)  
38      required in subsection b. of R.S.46:30B-77, and give written notice to  
39      the claimant if the claim is denied in whole or in part. The notice may  
40      be given by mailing it to the last address, if any, stated in the claim as  
41      the address to which notices are to be sent. If an address for notices  
42      is not stated in the claim, the notice may be mailed to the last address,  
43      if any, of the claimant as stated in the claim. A notice of denial need  
44      not be given if the claim fails to state either the last address to which  
45      notices are to be sent or the address of the claimant.

46      (cf: P.L.1995, c.152, s.5)



1       <sup>1</sup>[54.] 53.<sup>1</sup> R.S.46:30B-79 is amended to read as follows:

2       46:30B-79. Payment of claim. If a claim is allowed, the  
3 administrator shall pay over or deliver to the claimant the property or  
4 the amount the administrator actually received or the net proceeds if  
5 it has been sold by the administrator, together with any additional  
6 amount required by Article 21 of this chapter. If the claim is for  
7 property presumed abandoned under Article 10 of this chapter which  
8 was sold by the administrator within [three years] one year after the  
9 date of delivery, the amount payable for that claim is [the value of the  
10 property at the time the claim was made or] the net proceeds of sale  
11 [, whichever is greater]. At the time a claim is allowed, the  
12 administrator shall pay to the claimant interest upon the monies of the  
13 claimant for the period during which those monies were in the custody  
14 of the administrator, but interest shall not be payable for any period  
15 before the effective date of this chapter. The rate of interest shall be  
16 periodically fixed by the administrator.  
17 (cf: R.S.46:30B-79)

18

19       <sup>1</sup>[55.] 54.<sup>1</sup> R.S.46:30B-81 is amended to read as follows:

20       46:30B-81. Grounds for recovery of property by another state. [At  
21 any time after] After property has been paid or delivered to the  
22 administrator under this chapter another state may recover the  
23 property if:

24       a. The property was [subjected] paid or delivered to the custody  
25 [by] of this State because the records of the holder did not reflect  
26 [the] a last known [address] location of the apparent owner [when  
27 the property was presumed abandoned under this chapter,] within the  
28 borders of the other state and the other state establishes that the [last  
29 known address of the] apparent owner or other person entitled to the  
30 property [in] was last known to be located within the borders of that  
31 state and under the laws of that state the property has escheated [to]  
32 or [was] become subject to a claim of abandonment by that state;

33       b. The [last known address of the apparent owner or other person  
34 entitled to the property, as reflected by the records of the holder, is in  
35 the other state] property was paid or delivered to the custody of this  
36 State because the laws of the other state did not provide for the  
37 escheat or custodial taking of the property and under the laws of that  
38 state subsequently enacted the property has escheated to or become  
39 subject to a claim of abandonment by that state;

40       c. The records of the holder were erroneous in that they did not  
41 accurately [reflect] identify the [actual] owner of the property and  
42 the last known [address] location of the [actual] owner [is in] within  
43 the [other] borders of another state and under the laws of that state  
44 the property has escheated [to] or [was] become subject to a claim

1 of abandonment by that state;

2 d. The property was subjected to custody by this State under  
3 ~~[subsection f. of R.S.46:30B-10]~~ R.S.46:30B-1 et seq. and under the  
4 laws of the state of domicile of the holder of the property has  
5 escheated ~~[to]~~ or become subject to a claim of abandonment by that  
6 state; or

7 e. The property is the sum payable on a travelers check, money  
8 order, or ~~[other]~~ similar instrument that was ~~[subject to custody by~~  
9 ~~this State under Article 4 of this chapter, and the instrument was]~~  
10 purchased in the other state and delivered into the custody of this state  
11 under R.S.46:30B-14, and under the laws of that state the property has  
12 escheated ~~[to]~~ or ~~[became]~~ become subject to a claim of  
13 abandonment by that state.

14 (cf: R.S.46:30B-81)

15

16 <sup>1</sup>~~[56.]~~ 55.<sup>1</sup> R.S.46:30B-82 is amended to read as follows:

17 46:30B-82. Form of claim; allowance. The claim of another state  
18 to recover escheated or abandoned property shall be presented in a  
19 form prescribed by the administrator, who shall decide the claim within  
20 ~~[90]~~ 120 days after it is presented. The administrator shall allow the  
21 claim if ~~[he]~~ the administrator determines that the other state is  
22 entitled to the abandoned property under R.S.46:30B-81.

23 (cf: R.S.46:30B-82)

24

25 <sup>1</sup>~~[57.]~~ 56.<sup>1</sup> R.S.46:30B-89 is amended to read as follows:

26 46:30B-89. Time within which administrator may bring action  
27 against holder. An action or proceeding may not be commenced by  
28 the administrator ~~[with respect to any duty of a holder under this~~  
29 ~~chapter more than 10 years after the duty arose]~~ to enforce chapter  
30 30B of Title 46 of the Revised Statutes in regard to the reporting,  
31 delivery, or payment of property more than ten years after the holder  
32 specifically identified the property in a report filed with the  
33 administrator or gave express notice to the administrator of a dispute  
34 regarding the property. In the absence of such a report or other  
35 express notice, the period of limitation is tolled. The period of  
36 limitation is also tolled by the filing of a report that is fraudulent.

37 (cf: R.S.46:30B-89)

38

39 <sup>1</sup>~~[58.]~~ 57.<sup>1</sup> R.S.46:30B-90 is amended to read as follows

40 46:30B-90. Administrator may require filing of reports. The  
41 administrator may require any person who has not filed a report ~~[to~~  
42 ~~file a verified report stating whether or not the person is holding any~~  
43 ~~unclaimed property reportable or deliverable under this chapter],~~ or  
44 a person who the administrator believes has filed an inaccurate,  
45 incomplete, or false report, to file a verified report in a form specified

1 by the administrator. The report shall state whether the person is  
2 holding property reportable under chapter 30B of Title 46 of the  
3 Revised Statutes, describe property not previously reported or as to  
4 which the administrator has made inquiry, and specifically identify and  
5 state the amounts of property that may be in issue.

6 (cf: R.S.46:30B-90)

7  
8 <sup>1</sup>[59.] 58.<sup>1</sup> R.S.46:30B-91 is amended to read as follows:

9 46:30B-91. Examination of records by administrator; generally.  
10 The administrator, at reasonable times and upon reasonable notice,  
11 may examine the records of any person to determine whether the  
12 person has complied with the provisions of this chapter. The  
13 administrator may conduct the examination even if the person believes  
14 it is not in possession of any property reportable or deliverable under  
15 this chapter. The administrator may contract with any other person to  
16 conduct the examination on behalf of the administrator.

17 (cf: R.S.46:30B-91)

18  
19 <sup>1</sup>[60.] 59.<sup>1</sup> R.S.46:30B-92 is amended to read as follows:

20 46:30B-92. Examination of records by administrator; agents and  
21 fiduciaries for business association. If a person is treated under Article  
22 12 of this chapter as the holder of the property only insofar as the  
23 interest of a business association in the property is concerned, the  
24 administrator, pursuant to R.S.46:30B-91, may examine the records  
25 of the person if the administrator has given the notice required by  
26 R.S.46:30B-91 to both the person and the business association at least  
27 90 days before the examination.

28 The administrator at reasonable times may examine the records of  
29 an agent, including a dividend disbursing agent or transfer agent, of a  
30 business association that is the holder of property presumed  
31 abandoned if the administrator has given notice to both the association  
32 and the agent at least 90 days before the examination.

33 (cf: R.S.46:30B-92)

34  
35 <sup>1</sup>[61.] 60.<sup>1</sup> R.S.46:30B-93 is amended to read as follows:

36 46:30B-93. Assessment of costs for examination. If an  
37 examination of the records of a person results in the disclosure of  
38 property reportable and deliverable under this chapter, the  
39 administrator may assess the cost of the examination against the holder  
40 at the rate of ~~[\$100.00 a day]~~ \$50 per hour for each examiner, but in  
41 no case may the charges exceed the value of the property found to be  
42 reportable and deliverable. The cost of examination made pursuant to  
43 R.S.46:30B-93 may be imposed only against the business association.

44 (cf: R.S.46:30B-93)

45  
46 <sup>1</sup>[62.] 61.<sup>1</sup> R.S.46:30B-94 is amended to read as follows:

1 46:30B-94. Assessing estimated costs for examination when  
2 records are insufficient. [If a holder fails after the effective date of  
3 this chapter to maintain the records required by Article 31 of this  
4 chapter, and the records of the holder available for the periods subject  
5 to this chapter are insufficient to permit the preparation of a report,  
6 the administrator may require the holder to report and pay those  
7 amounts as may reasonably be estimated from any available records.]

8 If, after the effective date of P.L. , c. (now pending before the  
9 Legislature as this bill), a holder does not maintain the records  
10 required by R.S.46:30B-95 and the records of the holder available for  
11 the periods subject to this chapter are insufficient to permit the  
12 preparation of a report, the administrator may require the holder to  
13 report and pay to the administrator the amount the administrator  
14 reasonably estimates, on the basis of any available records of the  
15 holder, or by any other reasonable means of estimation acceptable to  
16 the administrator, that should have been but was not reported.

17 In the event property was delivered to the administrator based upon  
18 an estimate or statistical method, the holder shall be required to  
19 indemnify the administrator for any amounts claimed by owners in  
20 excess of the estimated amount remitted.

21 (cf: R.S.46:30B-94)

22  
23 <sup>1</sup>[63.] 62.<sup>1</sup> R.S.46:30B-95 is amended to read as follows:

24 46:30B-95. Maintaining records; generally. Every holder required  
25 to file a report under Article 17 of this chapter, as to any property for  
26 which it has obtained the last known address of the owner, shall  
27 maintain a record of the name and last known address of the owner for  
28 five years after [the property becomes reportable] the holder files the  
29 report, except to the extent that a shorter time is provided in  
30 R.S.46:30B-96 or by rule of the administrator.

31 (cf: P.L.1997, c.33, s.17)

32  
33 <sup>1</sup>[64.] 63.<sup>1</sup> R.S.46:30B-96 is amended to read as follows:

34 46:30B-96. Maintaining records; travelers checks, money orders,  
35 etc. Any business association that sells in this State its travelers  
36 checks, money orders, or other similar written instruments, other than  
37 third-party bank checks on which the business association is directly  
38 liable, or that provides those instruments to others for sale in this  
39 State, shall maintain a record of those instruments while they remain  
40 outstanding, indicating the state and date of issue for three years after  
41 the date the [property is reportable] holder files the report.

42 (cf: R.S.46:30B-96)

43  
44 <sup>1</sup>[65.] 64.<sup>1</sup> R.S.46:30B-98 is amended to read as follows:

45 46:30B-98. Interstate agreements. The administrator may enter  
46 into agreements with other states to exchange information relating to

1 abandoned property or its possible existence needed to enable this or  
2 another state to audit or otherwise determine unclaimed property that  
3 it or another state may be entitled to subject to a claim of custody.  
4 The agreement may permit the other state, or another person acting on  
5 behalf of a state, to examine records as authorized by R.S.46:30B-1 et  
6 seq. The administrator by rule may require the reporting of  
7 information needed to enable compliance with agreements made  
8 pursuant to this section and prescribe the form.  
9 (cf: R.S.46:30B-98)

10

11 <sup>1</sup>[66.] 65.<sup>1</sup> R.S.46:30B-104 is amended to read as follows:

12 46:30B-104. Penalty for [willful] failure to render report or  
13 perform other duties. [A person who willfully fails to render any  
14 report or perform other duties required under this chapter shall pay a  
15 civil penalty of \$100.00 for each day the report is withheld or the duty  
16 is not performed.] Except as otherwise provided in R.S.46:30B-105  
17 or 46:30B-105.1, a holder who fails to report, pay or deliver property  
18 within the time prescribed by chapter 30B of Title 46 of the Revised  
19 Statutes, or fails to perform other duties imposed by that chapter, shall  
20 pay to the administrator, in addition to the interest as provided in  
21 R.S.46:30B-103, a civil penalty of \$200 for each day the report,  
22 payment, or delivery is withheld, or the duty is not performed, up to  
23 a maximum of \$100,000.

24 (cf: R.S.46:30B-104)

25

26 <sup>1</sup>[67.] 66.<sup>1</sup> R.S.46:30B-105 is amended to read as follows

27 46:30B-105. Penalty for willful failure to report, pay or deliver  
28 property. [A person who willfully fails to pay or deliver property to  
29 the administrator as required under this chapter shall pay a civil  
30 penalty equal to 25% of the value of the property that should have  
31 been paid or delivered.] A holder who willfully fails to report, pay, or  
32 deliver property within the time prescribed by chapter 30B of Title 46  
33 of the Revised Statutes, shall pay to the administrator, in addition to  
34 the interest provided in R.S.46:30B-103, a penalty of \$1,000 for each  
35 day the report, payment, or delivery is withheld, or the duty is not  
36 performed, up to a maximum of \$250,000, plus 25% of the value of  
37 any property that should have been but was not reported.

38 For the purpose of this section, a willful failure to report includes  
39 the filing of a report which is plainly inaccurate, incomplete, or out of  
40 balance and the same is not corrected by the holder within six months  
41 after its original due date.

42 (cf: R.S.46:30B-105)

43

44 <sup>1</sup>[68.] 67.<sup>1</sup> R.S.46:30B-105.1 is amended to read as follows

45 46:30B-105.1. [Waiver of penalty and interest. The administrator

1 shall have discretion to waive the payment of penalties and interest or  
2 to reduce the amount of the interest in an appropriate circumstance. ]  
3 Penalty for fraudulent report. A holder who makes a fraudulent report  
4 shall pay to the administrator, in addition to interest as provided in  
5 R.S.46:30B-103, a civil penalty of \$1,000 for each day the report<sup>1</sup> [,  
6 payment or delivery]<sup>1</sup> is withheld <sup>1</sup>[, or the duty is not performed,]<sup>1</sup>  
7 up to a maximum of \$250,000, plus 25% of the value of any property  
8 that should have been but was not reported.

9 (cf: R.S.46:30B-105.1)

10

11 <sup>1</sup>68. R.S.46:30B-14 is amended to read as follows:

12 46:30B-14. Conditions subjecting property to custody of State. A  
13 sum payable on a travelers check, money order, or similar written  
14 instrument, [other than a third-party bank check,] described in  
15 R.S.46:30B-11 and R.S.46:30B-12 may not be subjected to the  
16 custody of this State as unclaimed property unless:

17 a. The records of the issuer show that the travelers check, money  
18 order, or similar written instrument was purchased in this State;

19 b. The issuer has its principal place of business in this State and the  
20 records of the issuer do not show the state in which the travelers  
21 check, money order, or similar written instrument was purchased; or

22 c. The issuer has its principal place of business in this State, the  
23 records of the issuer show the state in which the travelers check,  
24 money order, or similar written instrument was purchased and the laws  
25 of the state of purchase do not provide for the escheat or custodial  
26 taking of the property or its escheat or unclaimed property law is not  
27 applicable to the property.<sup>1</sup>

28 (cf: R.S.46:30B-14)

29

30 <sup>1</sup>69. R.S.46:30B-45 is amended to read as follows:

31 46:30B-45. Presumption of abandonment. All [tangible and  
32 intangible] property held in a safe deposit box or any other  
33 safekeeping repository in this State in the ordinary course of the  
34 holder's business and proceeds resulting from the sale of the property  
35 permitted by other law, which remain unclaimed by the owner for  
36 more than five years after the lease or rental period or other custodial  
37 agreement on the box or other repository has expired, are presumed  
38 abandoned.<sup>1</sup>

39 (cf: R.S.46:30B-45)

40

41 <sup>1</sup>70. R.S.46:30B-46 is amended to read as follows:

42 46:30B-46. Duty of holder to report property presumed  
43 abandoned. A person holding property [, tangible or intangible,]  
44 presumed abandoned and subject to custody as unclaimed property  
45 under this chapter shall report to the administrator concerning the  
46 property as provided in this article.<sup>1</sup>

1 (cf: R.S.46:30B-46)

2

3 <sup>1</sup>71. R.S.46:30B-35 is repealed.<sup>1</sup>

4

5 <sup>1</sup>72. Amend titles of Articles 5, 10 and 14 of R.S.46:30B-1 et seq.  
6 to read as follows:

7 Article 5. Checks, Drafts and Similar Instruments Issued or  
8 Certified by **[Banking and]** Financial Organizations

9 Article 10. Stock and other **[Intangible]** Interests in Business  
10 Associations

11 Article 14. **[Credit Memos]** Credits, Overpayments, Deposits,  
12 Refunds, Unused Tickets<sup>1</sup>

13 (cf: P.L.1989, c.58, s.1)

14

15 <sup>1</sup>[69.] 73.<sup>1</sup> (New section) Waiver of penalty and interest. The  
16 administrator shall have discretion to waive the payment of penalties  
17 and interest or to reduce the amount of the interest in an appropriate  
18 circumstance.

19

20 <sup>1</sup>[70.] 74.<sup>1</sup> This act shall take effect immediately.

21

22

23

24

25 Clarifies and expands categories of property which may escheat to  
26 State; reduces time for unclaimed property to escheat to State.

# ASSEMBLY, No. 2507

## STATE OF NEW JERSEY 210th LEGISLATURE

INTRODUCED JUNE 6, 2002

**Sponsored by:**

**Assemblyman JOHN S. WISNIEWSKI**

**District 19 (Middlesex)**

**SYNOPSIS**

Clarifies and expands categories of property which may escheat to State; reduces time for unclaimed property to escheat to State.

**CURRENT VERSION OF TEXT**

As introduced.





1 AN ACT concerning the escheat of unclaimed property to the State  
2 and amending and supplementing chapter 30B of Title 46 of the  
3 Revised Statutes.

4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7

8 1. R.S.46:30B-1 is amended to read as follows:

9 46:30B-1. Short title. This chapter shall be known and may be  
10 cited as the "Uniform Unclaimed Property Act [(1981)]."  
11 (cf: R.S.46:30B-1)

12

13 2. R.S.46:30B-4 is amended to read as follows:

14 46:30B-4. Effect of chapter on duty of holder to report, pay or  
15 deliver property under prior law. This chapter does not relieve a  
16 holder of a duty that arose before the effective date of this chapter to  
17 report, pay, or deliver property. A holder who did not comply with  
18 the law in effect before the effective date of this chapter is subject to  
19 the applicable enforcement and penalty provisions that then existed  
20 and they are continued in effect for the purpose of this section, subject  
21 to R.S.46:30B-89; however, after the effective date of this chapter, the  
22 interest and penalties set forth in article 34 of this chapter shall be  
23 assessed against the holder for failure to report, pay [and] or deliver  
24 the property presumed abandoned in accordance with the prior  
25 statutory provisions.

26 (cf: R.S.46:30B-4)

27

28 3. R.S.46:30B-6 is amended to read as follows:

29 46:30B-6. Definitions.

30 As used in this chapter:

31 a. "Administrator" means the Treasurer of the State of New  
32 Jersey, any individual serving as the Acting Treasurer in the absence  
33 of the appointed Treasurer, and any State employee to whom the  
34 Treasurer has delegated authority to administer the provisions of this  
35 chapter and to execute any pertinent documents;

36 b. "Apparent owner" means the person whose name appears on the  
37 records of the holder as the person entitled to property held, issued,  
38 or owing by the holder;

39 c. ["Banking organization" means any bank, trust company,  
40 savings bank, safe deposit company, private banker, or any  
41 organization defined by other law as a bank or banking organization]  
42 Deleted by amendment, P.L. , c. (now pending before the  
43 Legislature as this bill);

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

- 1 d. "Business association" means a [nonpublic] corporation, joint  
2 stock company, investment company, business trust, partnership, [or]  
3 unincorporated association [for business purposes of two or more  
4 individuals, whether or not for profit, including a banking  
5 organization, financial organization, insurance company, or utility] ,  
6 joint venture, limited liability company, safe deposit company,  
7 safekeeping depository, financial organization, insurance company,  
8 mutual fund, utility or other business entity consisting of one or more  
9 persons, whether or not for profit;
- 10 e. "Domicile" means the state of incorporation of a corporation  
11 and the state of the principal place of business of an unincorporated  
12 person;
- 13 f. "Financial organization" means a savings and loan association,  
14 building and loan association, [or] credit union, savings bank,  
15 industrial bank, bank, banking organization, trust company, safe  
16 deposit company, private banker, or any organization defined by other  
17 law as a bank or banking organization;
- 18 g. "Holder" means a person, wherever organized or domiciled,  
19 who is[:
- 20 (1) In possession of property belonging to another,  
21 (2) A trustee, or  
22 (3) Indebted to another on an obligation]
- 23 the original obligor indebted to another on an obligation;
- 24 h. "Insurance company" means an association, corporation,  
25 fraternal or mutual benefit organization, whether or not for profit,  
26 which is engaged in providing insurance coverage, including accident,  
27 burial, casualty, credit life, contract performance, dental, fidelity, fire,  
28 health, hospitalization, illness, life (including endowments and  
29 annuities), malpractice, marine, mortgage, surety, and wage protection  
30 insurance;
- 31 i. [ "Intangible property" includes:
- 32 (1) Moneys, checks, drafts, deposits, interest, dividends, and  
33 income;
- 34 (2) Credit balances, customer overpayments, security deposits,  
35 refunds, credit memos, unpaid wages, unused airline tickets, and  
36 unidentified remittances;
- 37 (3) Stocks and other intangible ownership interests in business  
38 associations;
- 39 (4) Moneys deposited to redeem stocks, bonds, coupons, and other  
40 securities, or to make distributions;
- 41 (5) Amounts due and payable under the terms of insurance policies;  
42 and
- 43 (6) Amounts distributable from a trust or custodial fund established  
44 under a plan to provide health, welfare, pension, vacation, severance,  
45 retirement, death, stock purchase, profit sharing, employee savings,

- 1 supplemental unemployment insurance, or similar benefits] Deleted by  
2 amendment, P.L. , c. (now pending before the Legislature as this  
3 bill);
- 4 j. ["Last known address" means a description of the location of  
5 the apparent owner sufficient for the purpose of the delivery of mail]  
6 Deleted by amendment, P.L. , c. (now pending before the  
7 Legislature as this bill);
- 8 k. "Owner" means a person having a legal or equitable interest in  
9 property subject to this chapter or the person's legal representative and  
10 includes, but is not limited to, a depositor in the case of a deposit, a  
11 beneficiary in case of a trust other than a deposit in trust, and a  
12 creditor, claimant, or payee in the case of other [intangible] property  
13 [, or a person having a legal or equitable interest in property subject  
14 to this chapter or his legal representative];
- 15 l. "Person" means an individual, business association, state or  
16 other government, governmental subdivision or agency, public  
17 corporation, public authority, estate, trust, two or more persons  
18 having a joint or common interest, or any other legal or commercial  
19 entity;
- 20 m. "State" means any state in the United States, district,  
21 commonwealth, territory, insular possession, or any other area subject  
22 to the [legislative authority] jurisdiction of the United States;
- 23 n. "Utility" means a person who owns or operates for public use  
24 any plant, equipment, property, franchise, or license for the  
25 transmission of communications or the production, storage,  
26 transmission, sale, delivery, or furnishing of electricity, water, steam,  
27 or gas[.];
- 28 o. "Mineral" means gas, oil, coal, other gaseous, liquid, and solid  
29 hydrocarbons, oil shale, cement material, sand and gravel, road  
30 material, building stone, chemical raw material, gemstone, fissionable  
31 and nonfissionable ores, colloidal and other clay, steam and other  
32 geothermal resources, or any other substance defined as a mineral by  
33 the law of this State;
- 34 p. "Mineral proceeds" means amounts payable for the extraction,  
35 production, or sale of minerals, or, upon the abandonment of those  
36 payments, all payments that become payable thereafter, and includes,  
37 but is not limited to, amounts payable:  
38 for the acquisition and retention of a mineral lease, including  
39 bonuses, royalties, compensatory royalties, shut-in royalties, minimum  
40 royalties, and delay rentals;  
41 for the extraction, production, or sale of minerals, including net  
42 revenue interests, royalties, overriding royalties, extraction payments,  
43 and production payments; and  
44 under an agreement of option, including a joint operating  
45 agreement, pooling agreement, and farm-out agreement;
- 46 q. "Money order" means an express money order and a personal

1 money order, on which the remitter is the purchaser;

2 r. "Property" means tangible property described in R.S.46:30B-45  
3 or a fixed and certain interest in intangible property that is held,  
4 issued, or owed in the course of a holder's business, or by a  
5 government, government subdivision, agency, or instrumentality, and  
6 all income or increments therefrom, and includes property that is  
7 referred to as or evidenced by:

8 money, a check, draft, deposit, interest, or dividend;

9 credit balance, customer's overpayment, security deposit, refund,  
10 credit memorandum, unpaid wage, unused ticket, mineral proceeds or  
11 unidentified remittance;

12 stock or other evidence of ownership of an interest in a business  
13 association or financial organization;

14 a bond, debenture, note, or other evidence of indebtedness;

15 money deposited to redeem stock, bonds, coupons, or other  
16 securities or distributions;

17 an amount due and payable under the terms of an annuity or  
18 insurance policy, including policies providing life insurance, property  
19 and casualty insurance, workers compensation insurance, or health and  
20 disability insurance; and

21 an amount distributable from a trust or custodial fund established  
22 under a plan to provide health, welfare, pension, vacation, severance,  
23 retirement, death stock purchase, profit sharing, employee savings,  
24 supplemental unemployment, insurance, or similar benefits; and

25 s. "Record" means information that is inscribed on a tangible  
26 medium or that is stored in an electronic or other medium and is  
27 retrievable in perceivable form.

28 (cf: R.S.46:30B-6)

29

30 4. R.S.46:30B-7 is amended to read as follows:

31 46:30B-7. When property presumed abandoned generally. Except  
32 as otherwise provided by this chapter, all [intangible] property,  
33 including any income or increment derived therefrom, less any lawful  
34 charges, whether located in this State or another state, that is held,  
35 issued, owing in the ordinary course of a holder's business and has  
36 remained unclaimed by the owner for more than [five] three years  
37 after it became payable or distributable is presumed abandoned.

38 At the time that an interest is presumed abandoned under this  
39 section, any other property right accrued or accruing to the owner as  
40 a result of the interest, and not previously presumed abandoned, is also  
41 presumed abandoned.

42 (cf: R.S.46:30B-7)

43

44 5. R.S.46:30B-7.1 is amended to read as follows:

45 46:30B-7.1. Communication between holder and apparent owner.

46 Property shall not be presumed abandoned if within the period that the

1 property remains unclaimed [there has been a communication between  
2 the holder and the apparent owner. The communication shall be a  
3 writing initiated or generated by or from the apparent owner to the  
4 holder or issuer concerning the unclaimed property, or a memorandum  
5 or other record on file with the holder or issuer prepared by an  
6 employee of the holder or issuer and evidencing that the apparent  
7 owner has indicated an interest in the property. This provision shall  
8 apply to all property notwithstanding any specific provisions of this  
9 chapter which do not expressly address the issue of communication  
10 between the holder or issuer and the apparent owner during the period  
11 that the property remains unclaimed] the apparent owner  
12 communicated in writing or by other means reflected in a  
13 contemporaneous record prepared by or on behalf of the holder, with  
14 the holder concerning property or the account in which the property  
15 is held, or has otherwise indicated an interest in the property. A  
16 communication with an owner by a person other than the holder or its  
17 representative who has not in writing identified the property to the  
18 owner is not an indication of interest in the property by the owner. An  
19 indication of an owner's interest in property includes:

20 the presentment of a check or other instrument of payment of a  
21 dividend or other distribution made with respect to an account or  
22 underlying stock or other interest in a business association or financial  
23 organization or, in the case of a distribution made by electronic or  
24 similar means, evidence that the distribution has been received;

25 owner-directed activity in the account in which the property is held,  
26 including a direction by the owner to increase, decrease, or change the  
27 amount or type of property held in the account; and

28 the payment of a premium with respect to a property interest in an  
29 insurance policy, but the application of an automatic premium loan  
30 provision or other nonforfeiture provision contained in an insurance  
31 policy does not prevent a policy from maturing or terminating if the  
32 insured has died or the insured or the beneficiary of the policy has  
33 otherwise become entitled to the proceeds before the depletion of the  
34 cash surrender value of a policy by the application of those provisions.

35 (cf: R.S.46:30B-7.1)

36

37 6. (New section) Limitation on holder's power to impose charges.  
38 A holder may not deduct from the amount due a person who has a  
39 legal or equitable interest in any property subject to chapter 30 B of  
40 Title 46 of the Revised Statutes any charges due to dormancy or  
41 inactivity, unless:

42 there is an enforceable written contract between the holder and the  
43 owner of the property pursuant to which the holder may impose a  
44 charge; and

45 the holder regularly imposes charges and does not regularly reverse  
46 or otherwise cancel those charges with respect to the property, the

1 amount of any charges is not unconscionable, and no additional  
2 charges are imposed as a result of escheatment of the property.

3

4 7. R.S.46:30B-9 is amended to read as follows:

5 46:30B-9. When property subject to custody. Unless otherwise  
6 provided in this chapter or by other statute of this State, [intangible]  
7 property is subject to the custody of this State as unclaimed property  
8 if the conditions raising a presumption of abandonment under Articles  
9 2 and 5 through 16 of this chapter are satisfied and the conditions  
10 under R.S.46:30B-10 are satisfied. The common law doctrine of bona  
11 vacantia shall remain viable with respect to unclaimed property not  
12 covered by this chapter or another statute of this State.

13 (cf: R.S.46:30B-9)

14

15 8. R.S.46:30B-10 is amended to read as follows:

16 46:30B-10. Further conditions to be satisfied to subject property  
17 to custody. To subject [intangible personal] property to the custody  
18 of this State as unclaimed property, the following conditions shall be  
19 also satisfied:

20 a. The last known address, as shown on the records of the holder,  
21 of the apparent owner is in this State;

22 b. The records of the holder do not reflect the identity of the  
23 person entitled to the property and it is established that the last known  
24 address of the person entitled to the property is in this State;

25 c. The records of the holder do not reflect the last known address  
26 of the apparent owner, and it is established that:

27 (1) The last known address of the person entitled to the property  
28 is in this State, or

29 (2) The holder is a domiciliary or a government or governmental  
30 subdivision or agency of this State and has not previously paid or  
31 delivered the property to the state of the last known address of the  
32 apparent owner or other person entitled to the property;

33 d. The last known address, as shown on the records of the holder,  
34 of the apparent owner is in a state that does not provide by law for the  
35 escheat or custodial taking of the property or its escheat or unclaimed  
36 property law is not applicable to the property and the holder is a  
37 domiciliary or a government or governmental subdivision or agency of  
38 this State;

39 e. The last known address, as shown on the records of the holder,  
40 of the apparent owner is in a foreign nation and the holder is a  
41 domiciliary or a government or governmental subdivision or agency of  
42 this State; or

43 f. The transaction out of which the property arose occurred in this  
44 State, and

45 (1) The last known address of the apparent owner or other person  
46 entitled to the property is unknown, or

1 (2) The last known address of the apparent owner or other person  
2 entitled to the property is in a state that does not provide by law for  
3 the escheat or custodial taking of the property or its escheat or  
4 unclaimed property law is not applicable to the property, [and] or

5 (3) The holder is a domiciliary of a state that does not provide by  
6 law for the escheat or custodial taking of the property or its escheat  
7 or unclaimed property law is not applicable to the property [and], or

8 (4) The holder is domiciled in a state that does not provide for the  
9 escheat or custodial taking of the property, and the last known address  
10 of the apparent owner or other person entitled to the property is  
11 unknown or is in a state that does not provide for the escheat or  
12 custodial taking of the property.

13 (cf: R.S.46:30B-10)

14  
15 9. (New section) Presumption of abandonment after issuance. A  
16 record of the issuance of a check, draft, or similar instrument is prima  
17 facie evidence of an obligation. In claiming property from a holder  
18 who is also the issuer, the administrator's burden of proof as to the  
19 existence and amount of the property and its abandonment is satisfied  
20 by showing issuance of the instrument and passage of the requisite  
21 period of abandonment. Defenses of payment, satisfaction, discharge,  
22 and want of consideration are affirmative defenses that shall be  
23 established by the holder.

24  
25 10. R.S.46:30B-11 is amended to read as follows:

26 46:30B-11. Presumption of abandonment of travelers check.  
27 Subject to R.S.46:30B-14, any sum payable on a travelers check that  
28 has been outstanding for more than 15 years after its issuance is  
29 presumed abandoned unless the owner, within 15 years, has  
30 communicated in writing with the issuer concerning it or otherwise  
31 indicated an interest as evidenced by a contemporaneous memorandum  
32 or other record on file prepared by an employee of the issuer.

33 (cf: R.S.46:30B-11)

34  
35 11. R.S.46:30B-12 is amended to read as follows:

36 46:30B-12. Presumption of abandonment of money order. Subject  
37 to R.S.46:30B-14, any sum payable on a money order or similar  
38 written instrument [, other than a third-party bank check,] that has  
39 been outstanding for more than [seven] three years after its issuance  
40 is presumed abandoned unless the owner, within [seven] three years,  
41 has communicated in writing with the issuer concerning it or otherwise  
42 indicated an interest as evidenced by a contemporaneous memorandum  
43 or other record on file prepared by an employee of the issuer.

44 (cf: R.S.46:30B-12)

45  
46 12. R.S.46:30B-13 is amended to read as follows:

1 46:30B-13. Limitation on holder's power to impose service  
2 charges. A holder may not deduct from the amount of a travelers  
3 check or money order any charge imposed by reason of the failure to  
4 present the instrument for payment unless there is a valid and  
5 enforceable written contract between the issuer and the owner of the  
6 instrument pursuant to which the issuer may impose a charge and the  
7 issuer regularly imposes the charges and does not regularly reverse or  
8 otherwise cancel them. The amount of the deduction shall be limited  
9 to an amount that is not unconscionable.

10 (cf: R.S.46:30B-13)

11

12 13. R.S.46:30B-16 is amended to read as follows:

13 46:30B-16. Presumption of abandonment. Any sum payable on a  
14 check, draft, or similar instrument, except those subject to  
15 R.S.46:30B-11 and R.S.46:30B-12, on which a [banking or] financial  
16 organization is directly liable, including a cashier's check and a  
17 certified check, which has been outstanding for more than [five] three  
18 years after it was payable on demand, is presumed abandoned, unless  
19 the owner, within [five] three years, has communicated in writing with  
20 the [banking or] financial organization concerning it or otherwise  
21 indicated an interest as evidenced by a contemporaneous memorandum  
22 or other record on file prepared by an employee thereof.

23 (cf: R.S.46:30B-16)

24

25 14. R.S.46:30B-17 is amended to read as follows:

26 46:30B-17. Limitation on holder's power to impose charges. A  
27 holder may not deduct from the amount of any instrument subject to  
28 R.S.46:30B-16 any charge imposed by reason of the failure to present  
29 the instrument for payment unless there is a valid and enforceable  
30 written contract between the holder and the owner of the instrument  
31 pursuant to which the holder may impose a charge, and the holder  
32 regularly imposes the charges and does not regularly reverse or  
33 otherwise cancel them. The amount of the deduction shall be limited  
34 to an amount that is not unconscionable.

35 (cf: R.S.46:30B-17)

36

37 15. R.S.46:30B-18 is amended to read as follows:

38 46:30B-18. Presumption of abandonment. [Any] A demand,  
39 savings, or [matured] time deposit [with a banking or financial  
40 organization], including a deposit that is automatically renewable, and  
41 any funds paid toward the purchase of a share, a mutual fund  
42 investment certificate, or any other interest in a [banking or] financial  
43 organization is presumed abandoned [unless the owner, within 10  
44 years,] three years after the earlier of maturity or the date of the last  
45 indication by the owner of interest in the property, but a deposit that



1 is automatically renewable is deemed matured for the purposes of this  
2 section upon its initial date of maturity, unless the owner has  
3 consented to a renewal at or about the time of renewal and the  
4 consent is in writing or is evidenced by a contemporaneous  
5 memorandum or other record on file with the holder, provided,  
6 however, that such abandonment shall not be deemed to have occurred  
7 if the owner, within the time period stated above has :

8 a. In the case of a deposit, increased or decreased its amount or  
9 presented the passbook or other similar evidence of the deposit for the  
10 crediting of interest;

11 b. Communicated in writing with the [banking or] financial  
12 organization concerning the property;

13 c. Otherwise indicated an interest in the property as evidenced by  
14 a contemporaneous memorandum or other record on file prepared by  
15 an employee of the [banking or] financial organization;

16 d. Owned other property to which subsection a., b., or c. applies  
17 and if the [banking or] financial organization communicates in writing  
18 with the owner with regard to the property that would otherwise be  
19 presumed abandoned under this section at the address to which  
20 communications regarding the other property regularly are sent; or

21 e. Had another relationship with the [banking or] financial  
22 organization concerning which the owner has:

23 (1) Communicated in writing with the [banking or] financial  
24 organization, or

25 (2) Otherwise indicated an interest as evidenced by a  
26 contemporaneous memorandum or other record on file prepared by an  
27 employee of the [banking or] financial organization and if the  
28 [banking or] financial organization communicates in writing with the  
29 owner with regard to the property that would otherwise be abandoned  
30 under this section at the address to which communications regarding  
31 the other relationship regularly are sent.

32 (cf: R.S.46:30B-18)

33  
34 16. R.S.46:30B-20 is amended to read as follows:

35 46:30B-20. Limitation on holder's power to impose charges. A  
36 holder may not impose with respect to property described in  
37 R.S.46:30B-18 any charge due to dormancy or inactivity or cease  
38 payment of interest unless:

39 a. There is an enforceable written contract between the holder and  
40 the owner of the property pursuant to which the holder may impose a  
41 charge or cease payment of interest;

42 b. For property in excess of \$2.00, the holder, no more than three  
43 months before the initial imposition of those charges or cessation of  
44 interest, has given written notice to the owner of the amount of those  
45 charges at the last known address of the owner stating that those  
46 charges will be imposed or that interest will cease, but the notice

1 provided in this subsection need not be given with respect to charges  
2 imposed or interest ceased before the effective date of this chapter;  
3 and

4 c. The holder regularly imposes the charges or ceases payment of  
5 interest and does not regularly reverse or otherwise cancel them or  
6 retroactively credit interest with respect to the property. The amount  
7 of the deduction shall be limited to an amount that is not  
8 unconscionable. Also, no additional charges shall be assessed as the  
9 result of escheatment of the property.

10 (cf: R.S.46:30B-20)

11

12 17. R.S.46:30B-21 is amended to read as follows:

13 46:30B-21. When automatically renewable property is matured.  
14 Any property described in R.S.46:30B-18 that is automatically  
15 renewable is matured for purposes of R.S.46:30B-18 upon the  
16 expiration of its initial time period, but in the case of any renewal by  
17 communicating in writing with the [banking or] financial organization  
18 or otherwise indicating consent as evidenced by a contemporaneous  
19 memorandum or other record on file prepared by an employee of the  
20 organization, the property is matured upon the expiration of the last  
21 time period for which consent was given. If, at the time provided for  
22 delivery in Article 19 of this chapter, a penalty or forfeiture in the  
23 payment of interest would result from the delivery of the property, the  
24 time for delivery is extended until the time when a penalty or forfeiture  
25 would not result.

26 (cf: R.S.46:30B-21)

27

28 18. R.S.46:30B-22 is amended to read as follows:

29 46:30B-22. Presumption of abandonment. Funds held or owing  
30 under any life or endowment insurance policy or annuity contract that  
31 has matured or terminated are presumed abandoned if unclaimed for  
32 more than [five] three years after the funds became due and payable  
33 as established from the records of the insurance company holding or  
34 owing the funds, but property described in subsection b. of  
35 R.S.46:30B-24 is presumed abandoned if unclaimed for more than two  
36 years.

37 (cf: R.S.46:30B-22)

38

39 19. R.S.46:30B-24 is amended to read as follows:

40 46:30B-24. Determining maturity of insurance policy or annuity  
41 contract. For purposes of this article, a life or endowment insurance  
42 policy or annuity contract not matured by actual proof of death of the  
43 insured or annuitant according to the records of the company is  
44 matured and the proceeds due and payable if:

45 a. The company knows that the insured or annuitant has died; or

46 b. The insured has attained, or would have attained if he were

1 living, the limiting age under the mortality table on which the reserve  
2 is based;

3 c. The policy was in force at the time the insured attained, or  
4 would have attained, the limiting age specified in subsection b.; and

5 d. Neither the insured nor any other person appearing to have an  
6 interest in the policy within the preceding two years, according to the  
7 records of the company, has assigned, readjusted, or paid premiums on  
8 the policy, subjected the policy to a loan, corresponded in writing with  
9 the company concerning the policy, or otherwise indicated an interest  
10 as evidenced by a contemporaneous memorandum or other record on  
11 file prepared by an employee of the company.

12 (cf: R.S.46:30B-24)

13

14 20. (New section) Property distributable by insurance company.  
15 Property distributable in the course of demutualization or related  
16 reorganization of an insurance company which remains unclaimed is  
17 deemed abandoned three years after the earlier of:

18 the date of the distribution of the property; or

19 the date of last contact with a policyholder.

20

21 21. R.S.46:30B-31 is amended to read as follows:

22 46:30B-31. Presumption of abandonment. [Except as provided in  
23 R.S.46:30B-32 and R.S.46:30B-35, stock or other intangible  
24 ownership interest in a business association, the existence of which is  
25 evidenced by records available to the association, is presumed  
26 abandoned and, with respect to the interest, the association is the  
27 holder, if a dividend, distribution, or other sum payable as a result of  
28 the interest has remained unclaimed by the owner for seven years and  
29 the owner within seven years has not:

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

33 b. Otherwise communicated with the association regarding the  
34 interest or a dividend, distribution, or other sum payable as a result of  
35 the interest, as evidenced by a memorandum or other record on file  
36 with the association prepared by an employee of the association]  
37 Stock or other interest in a business association, including a debt  
38 obligation other than a bearer bond or original issue discount bond, is  
39 presumed abandoned:

40 three years after the earliest of the date of an unrepresented  
41 instrument issued to pay interest or a dividend or other cash  
42 distribution, or the date of issue of an undelivered stock certificate  
43 issued as a stock dividend, split, or other distribution; or

44 if a dividend or other distribution has not been paid on the stock or  
45 other interest for three consecutive years, or the stock or other interest  
46 is held pursuant to a plan that provides for the automatic reinvestment

1 of dividends or other distributions, three years after the date of the  
2 second mailing of a statement of account or other notification or  
3 communication that was returned as undeliverable, or after the holder  
4 discontinued mailings to the apparent owner, whichever is earlier.

5 (cf: R.S.46:30B-31)

6

7 22. R.S.46:30B-32 is amended to read as follows:

8 46:30B-32. Presumption of abandonment for failure to claim  
9 dividend or distribution. At the expiration of a [seven-year] three  
10 year period following the failure of the owner to claim a dividend,  
11 distribution, or other sum payable to the owner as a result of the  
12 interest, the interest is not presumed abandoned unless there have been  
13 at least [seven] three dividends, distributions, or other sums paid  
14 during the period, none of which has been claimed by the owner. If  
15 [seven] three dividends, distributions, or other sums are paid during  
16 the [seven-year] three-year period, the period leading to a  
17 presumption of abandonment commences on the date payment of the  
18 first unclaimed dividend, distribution, or other sum became due and  
19 payable. If [seven] three dividends, distributions, or other sums are  
20 not paid during the presumptive period, the period continues to run  
21 until there have been [seven] three dividends, distributions, or other  
22 sums that have not been claimed by the owner.

23 (cf: R.S.46:30B-32)

24

25 23. R.S.46:30B-33 is amended to read as follows:

26 46:30B-33. When period of abandonment ceases. The running of  
27 the [seven-year] three year period of abandonment ceases immediately  
28 upon the occurrence of a communication referred to in R.S.46:30B-31.  
29 If any future dividend, distribution, or other sum payable to the owner  
30 as a result of the interest is subsequently not claimed by the owner, a  
31 new period of abandonment commences and relates back to the time  
32 a subsequent dividend, distribution, or other sum became due and  
33 payable.

34 (cf: R.S.46:30B-33)

35

36 24. R.S.46:30B-34 is amended to read as follows:

37 46:30B-34. Items presumed abandoned when interest presumed  
38 abandoned. At the time an interest is presumed abandoned under [this  
39 article, any dividend, distribution, or other sum then held for or owing  
40 to the owner] chapter 30B of Title 46 of the Revised Statutes, any  
41 other property right accrued or accruing to the owners as a result of  
42 the interest, and not previously presumed abandoned, is presumed  
43 abandoned.

44 (cf: R.S.46:30B-34)

1 25. R.S.46:30B-35 is amended to read as follows:

2 46:30B-35. Stock or other intangible interests excluded; exception.  
3 This chapter does not apply to any stock or other [intangible]  
4 ownership interest enrolled in a plan that provides for the automatic  
5 reinvestment of dividends, distributions, or other sums payable as a  
6 result of the interest unless the records available to the administrator  
7 of the plan show, with respect to any [intangible] ownership interest  
8 not enrolled in the reinvestment plan, that the owner has not within  
9 [seven] three years communicated in any manner described in  
10 R.S.46:30B-31  
11 (cf: R.S.46:30B-35)

12

13 26. R.S.46:30B-36 is amended to read as follows:

14 46:30B-36. Presumption of abandonment. [Intangible property]  
15 Property distributable in the course of a dissolution of a business  
16 association which remains unclaimed by the owner for more than one  
17 year after the date specified for final distribution is presumed  
18 abandoned.  
19 (cf: R.S.46:30B-36)

20

21 27. R.S.46:30B-37 is amended to read as follows:

22 46:30B-37. Presumption of abandonment. [Intangible property]  
23 Property and any income or increment derived therefrom held in a  
24 fiduciary capacity for the benefit of another person is presumed  
25 abandoned unless the owner, within [five] three years after it has  
26 become payable or distributable, has increased or decreased the  
27 principal, accepted payment of principal or income, communicated  
28 concerning the property, or otherwise indicated an interest as  
29 evidenced by a contemporaneous memorandum or other record on file  
30 prepared by the fiduciary.  
31 (cf: R.S.46:30B-37)

32

33 28. R.S.46:30B-37.1 is amended to read as follows:

34 46:30B-37.1 Presumption of abandonment: unclaimed estate  
35 assets. Except as otherwise provided in this section, property held by  
36 a fiduciary as defined in N.J.S.3B:1-1 or an assignee under  
37 N.J.S.2A:19-1 et seq. and remaining unclaimed for 90 days after the  
38 account of that fiduciary or assignee is judicially allowed by the courts  
39 or settled informally is presumed abandoned. Unclaimed property held  
40 by a fiduciary of an intestate estate payable to the unknown heirs of an  
41 intestate decedent shall be presumed abandoned 90 days after  
42 publication by the fiduciary of the notice required in N.J.S.3B:5-5.  
43 (cf: P.L.1995, c.152, s.2)

44

45 29. (New section) Debt of business association. The debt of a  
46 business association, other than bearer bonds or an original issue

1 discount bond, is presumed abandoned three years after the date of the  
2 earliest interest payment unclaimed by the apparent owner.

3  
4 30. R.S.46:30B-38 is amended to read as follows:

5 46:30B-38. Funds in retirement account or plan. [Funds in an  
6 individual retirement account or a retirement plan for self-employed  
7 individuals or similar account or plan established pursuant to the  
8 Internal Revenue laws of the United States are not payable or  
9 distributable within the meaning of R.S.46:30B-37 unless, under the  
10 terms of the account or plan, distribution of all or part of the funds  
11 would then be mandatory] Property in an individual retirement  
12 account, defined benefit plan, or other account or plan that is qualified  
13 for tax deferral under the income tax laws of the United States  
14 becomes abandoned three years after the earliest of the date of the  
15 distribution or attempted distribution of the property, the date of the  
16 required distribution as stated in the plan or trust agreement governing  
17 the plan, or the date, if determinable by the holder, specified in the  
18 income tax laws of the United States by which distribution of the  
19 property must begin in order to avoid a tax penalty.

20 (cf: R.S.46:30B-38)

21  
22 31. (New section) Funds in non-traditional individual retirement  
23 account or plan. Property in individual retirement accounts for which  
24 no distribution is required under the income tax laws of the United  
25 States becomes abandoned three years after the date of the second  
26 mailing of a statement of account or other notification or  
27 communication that was returned as undeliverable, or after the holder  
28 discontinued mailings to the apparent owner, whichever is earlier.

29  
30 32. R.S.46:30B-41 is amended to read as follows:

31 46:30B-41. Presumption of abandonment: Superior Court and  
32 surrogate. [Intangible property] Property deposited or paid into the  
33 Superior Court or to the surrogate of any county in this State to the  
34 credit of a specific cause or account under the provisions of any law,  
35 order, rule, judgment, or decree and remaining unclaimed for a period  
36 of 10 years, shall be presumed abandoned.

37 (cf: R.S.46:30B-41)

38  
39 33. R.S.46:30B-41.1 is amended to read as follows:

40 46:30B-41.1. Presumption of abandonment: minor's funds.  
41 [Intangible property] Property deposited or paid into the Superior  
42 Court or to the surrogate of any county of this State for the benefit of  
43 a person who is a minor at the time of the deposit and remaining  
44 unclaimed by that person for two years after that person reaches  
45 majority is presumed abandoned.

46 (cf: R.S.46:30B-41.1)

1 34. R.S.46:30B-41.2 is amended to read as follows:

2 46:30B-41.2. Presumption of abandonment: governmental entity.  
3 Except as otherwise provided in this article, any [intangible] property  
4 [held by] where the obligor is the executive, legislative, or judicial  
5 branch of the United States Government, or a state, or a county or  
6 municipal subdivision of a state, or any of their authorities, agencies,  
7 instrumentalities, administrations, services or other organizations, and  
8 remaining unclaimed for more than one year after it became payable or  
9 distributable is presumed abandoned.

10 (cf: R.S.46:30B-41.2)

11

12 35. (New section) Presumption of abandonment; class actions.  
13 Property received by a court as proceeds of a class action and not  
14 distributed pursuant to the judgment is presumed abandoned one year  
15 after the distribution date.

16

17 36. R.S.46:30B-42 is amended to read as follows:

18 46:30B-42. Presumption of abandonment. [A credit memo issued  
19 in the ordinary course of an issuer's business which remains unclaimed  
20 by the owner for more than five years after becoming payable or  
21 distributable is presumed abandoned] A credit balance, customer  
22 overpayment, security deposit, refund, credit memorandum, unused  
23 ticket, or similar instrument that occurs or is issued in the ordinary  
24 course of business which remains unclaimed by the owner for more  
25 than three years after becoming payable or distributable is presumed  
26 abandoned.

27 (cf: R.S.46:30B-42)

28

29 37. R.S.46:30B-43 is amended to read as follows:

30 46:30B-43. Amounts presumed abandoned. In the case of [a]  
31 credit [memo] balances, customer overpayments, security deposits,  
32 refunds, credit memoranda, unused tickets, or similar instruments, the  
33 amount presumed abandoned is the amount credited to the recipient  
34 [of the memo].

35 (cf: R.S.46:30B-43)

36

37 38. (New section) Limitation on holder's power to impose  
38 charges. A holder may not deduct from the amount of any instrument  
39 subject to R.S.46:30B-43 any charge imposed by reason of the failure  
40 to present the instrument for payment unless there is a valid and  
41 enforceable written contract between the issuer and owner of the  
42 instrument pursuant to which the issuer may impose a charge and the  
43 issuer regularly imposes the charges and does not regularly reverse or  
44 otherwise cancel them. The amount of the deduction shall be limited  
45 to an amount that is not unconscionable.

1 39. R.S.46:30B-47 is amended to read as follows:

2 46:30B-47. Form and contents of report. The report shall be  
3 verified and shall include:

4 a. Except with respect to travelers checks and money orders, the  
5 name, if known, and last known address, if any, of each person  
6 appearing from the records of the holder to be the owner of property  
7 of the value of ~~[\$25.00]~~ \$50 or more presumed abandoned under this  
8 chapter. Dividends, interest and mineral proceeds that accrue shall not  
9 be aggregated and shall be reported separately;

10 b. In the case of unclaimed funds of ~~[\$25.00]~~ \$50 or more held  
11 or owing under any life or endowment insurance policy or annuity  
12 contract, the full name and last known address of the insured or  
13 annuitant and of the beneficiary according to the records of the  
14 insurance company holding or owing the funds;

15 c. In the case of the contents of a safe deposit box or other  
16 safekeeping repository or of other tangible property, a description of  
17 the property, its estimated value and the place where it is held and may  
18 be inspected by the administrator and any amounts owing to the  
19 holder;

20 d. The nature and identifying number, if any, or description of the  
21 property and the amount appearing from the records to be due, but  
22 items of value under ~~[\$25.00]~~ \$50 each may be reported in the  
23 aggregate;

24 e. The date the property became payable, demandable, or  
25 returnable, and the date of the last transaction with the apparent owner  
26 with respect to the property;

27 f. The Social Security account number or federal identification  
28 number, if available, of each person appearing to be the owner of the  
29 reported unclaimed property; and

30 g. Other information the administrator prescribes by rule as  
31 necessary for the administration of this chapter.

32 (cf: R.S.46:30B-47)

33

34 40. R.S.46:30B-49 is amended to read as follows:

35 46:30B-49. Time to file report; postponement. The report shall be  
36 filed before November 1 of each year as of the preceding June 30, but  
37 the report of any life insurance company shall be filed before May 1 of  
38 each year as of the preceding December 31. [On written request by  
39 any person required to file a report, the administrator may postpone  
40 the reporting date.]

41 Before the date for filing the report, the holder of property  
42 presumed abandoned may request of the administrator an extension of  
43 the time for filing the report. The administrator may grant the  
44 extension for good cause. The holder, upon receipt of the extension,  
45 shall make an interim payment on the amount the holder estimates will  
46 ultimately be due, which terminates the accrual of additional interest



1 on the estimated amount paid.

2 (cf: R.S.46:30B-49)

3

4 41. R.S.46:30B-50 is amended to read as follows:

5 46:30B-50. Notice to apparent owner. Not more than 120 days  
6 nor less than 60 days before filing the report required by this article,  
7 the holder in possession of property presumed abandoned and subject  
8 to custody as unclaimed property under this chapter shall send written  
9 notice to the apparent owner at ~~[his]~~ the last known address informing  
10 ~~[him]~~ the owner that the holder is in possession of property subject to  
11 this chapter if:

12 a. The holder has in its records an address for the apparent owner  
13 which the holder's records do not disclose to be inaccurate;

14 b. The claim of the apparent owner is not barred by the statute of  
15 limitations; and

16 c. The property has a value of \$50.00 or more.

17 (cf: R.S.46:30B-50)

18

19 42. R.S.46:30B-51 is amended to read as follows:

20 46:30B-51. Publication of notice by administrator. The  
21 administrator shall cause a notice to be published not later than  
22 [March 1] November 30 of the year next following the year in which  
23 abandoned property has been paid or delivered to the administrator, or  
24 in the case of property reported by life insurance companies,  
25 September 1, of the year in which abandoned property has been paid  
26 or delivered to the administrator immediately following the report  
27 required by Article 17 of this chapter at least once a week for two  
28 consecutive weeks in a newspaper of general circulation in the county  
29 of this State in which is located the last known address of any person  
30 to be named in the notice. If ~~[no address is listed or]~~ the address is  
31 outside this State, the notice shall be published in the county in which  
32 the holder of the property has its principal place of business within this  
33 State.

34 The administrator is not required to advertise the name and address  
35 or location of an owner of property having a total value of less than  
36 \$100.

37 (cf: R.S.46:30B-51)

38

39 43. R.S.46:30B-52 is amended to read as follows:

40 46:30B-52. Form and contents of notice to be published. The  
41 published notice shall contain:

42 a. The names in alphabetical order and last known addresses, if  
43 any, of persons listed in the report and entitled to notice within the  
44 county as specified in R.S.46:30B-51;

45 b. A statement that information concerning the unclaimed property  
46 may be obtained by any person having ~~[an]~~ legal or beneficial interest

1 in that property by making a written inquiry to the administrator; and  
2 c. A statement explaining that property of the owner is presumed  
3 to be abandoned and has been taken into the protective custody of the  
4 administrator.

5 (cf: R.S.46:30B-52)

6

7 44. R.S.46:30B-53 is amended to read as follows:

8 46:30B-53. Items which need not be included in published notice.  
9 The administrator is not required to publish in the notice any items of  
10 less than ~~[\$50.00]~~ \$100 unless the administrator considers their  
11 publication to be in the public interest.

12 (cf: R.S.46:30B-53)

13

14 45. R.S.46:30B-57 is amended to read as follows:

15 46:30B-57. Payment or delivery with report. At the time of the  
16 filing of the report as established by R.S.46:30B-49, a holder shall pay  
17 or deliver to the administrator all of the unclaimed property set forth  
18 in its report and all accretions thereon, except for the property  
19 provided for in R.S.46:30B-58.

20 Tangible property held in a safe deposit box or other safekeeping  
21 depository shall not be delivered to the administrator until 120 days  
22 after filing the report required by R.S.46:30B-47.

23 The administrator may decline to receive property reported under  
24 this chapter which the administrator considers to have value less than  
25 the expenses of notice and sale.

26 (cf: R.S.46:30B-57)

27

28 46. R.S.46:30B-60.1 is amended to read as follows:

29 46:30B-60.1. Transfer of ownership after delivery with report.  
30 When a certificate or other evidence of ownership, or a bond or other  
31 debt security, registered in the name of a person is delivered to the  
32 administrator pursuant to any provision of this chapter and is  
33 presented by the administrator to the issuer thereof or its agent, the  
34 issuer shall transfer and register it in the name of "Treasurer, State of  
35 New Jersey," and a new certificate or security, so registered, shall be  
36 delivered to the administrator. The issuer and its transfer agent,  
37 registrar, or other person acting on behalf of the issuer in executing  
38 and delivering the certificate or security shall be fully and  
39 automatically relieved from any liability to any person for any loss or  
40 damage caused by the transfer, issuance, and delivery of the certificate  
41 or security to the administrator.

42 A record of the issuance of a check, draft, or similar instrument is  
43 prima facie evidence of an obligation. In claiming property from a  
44 holder who is also the issuer, the administrator's burden of proof as to  
45 the existence and amount of the property and its abandonment is  
46 satisfied by showing issuance of the instrument and passage of the

1 requisite period of abandonment. Defenses of payment, satisfaction,  
2 discharge, and want of consideration are affirmative defenses that shall  
3 be established by the holder.

4 If the property reported to the administrator is a security or security  
5 entitlement under Subchapter 8 of the Uniform Commercial Code-  
6 Investment Securities, N.J.S.12A:8-101 et seq., the administrator is  
7 an appropriate person to make an endorsement, instruction, or  
8 entitlement order on behalf of the apparent owner to invoke the duty  
9 of the issuer or its transfer agent or the securities intermediary to  
10 transfer or dispose of the security or the security entitlement in  
11 accordance with Subchapter 8 of the Uniform Commercial Code-  
12 Investment Securities.

13 If the holder of the property reported to the administrator is the  
14 issuer of a certified security, the administrator has the right to obtain  
15 a replacement certificate pursuant to N.J.S.12A:8-405 of the Uniform  
16 Commercial Code-Investment Securities, but an indemnity bond is not  
17 required.

18 An issuer, the holder, any transfer agent or other person acting  
19 pursuant to the instructions of and on behalf of the issuer or holder in  
20 accordance with this section is not liable to the apparent owner and  
21 shall be indemnified against claims of any person in accordance with  
22 R.S.46:30B-65.

23 (cf: R.S.46:30B-60.1)

24  
25 47. R.S.46:30B-65 is amended to read as follows:

26 46:30B-65. Defending and indemnifying holder against claims for  
27 property paid or delivered. If the holder pays or delivers property to  
28 the administrator in good faith and thereafter another person claims  
29 the property from the holder or another state claims the money or  
30 property under its laws relating to escheat or abandoned or unclaimed  
31 property, the administrator, upon written notice of the claim, shall  
32 defend the holder against the claim and indemnify the holder against  
33 any liability on the claim to the extent of the property paid or delivered  
34 to the administrator on behalf of the apparent owner.

35 (cf: R.S.46:30B-65)

36  
37 48. R.S.46:30B-72 is amended to read as follows:

38 46:30B-72. Securities to be held **[three years]** one year before  
39 sale; rights of claimant if securities sold before or after end of  
40 **[three-year]** one year period. Unless the administrator considers it to  
41 be in the best interest of the State to do otherwise, all securities  
42 presumed abandoned under Article 10 of this chapter and delivered to  
43 the administrator shall be held for **[at least three years]** one year  
44 before **[he]** the administrator may sell them. If the administrator sells  
45 any securities delivered pursuant to Article 10 of this chapter before  
46 the expiration of the **[three-year]** one year period, any person making

1 a claim pursuant to this chapter before the end of the [three-year] one  
2 year period is entitled to either the proceeds of the sale of the  
3 securities or the market value of the securities at the time the claim is  
4 made, whichever amount is greater, less any deduction for fees  
5 pursuant to R.S.46:30B-75. If the value of the securities is less than  
6 the cost of re-registration, then the owner shall have the option to pay  
7 the re-registration fee and receive the security or be paid the present  
8 value of the security. A person making a claim under this chapter after  
9 the expiration of this period is entitled to receive either the securities  
10 delivered to the administrator by the holder, if they still remain in the  
11 hands of the administrator, or the proceeds received from sale, less any  
12 amounts deducted pursuant to R.S.46:30B-75, but no person has any  
13 claim under this chapter against the State, the holder, any transfer  
14 agent, registrar, or other person acting for or on behalf of a holder for  
15 any appreciation in the value of the property occurring after delivery  
16 by the holder to the administrator.

17 (cf: R.S.46:30B-72)

18

19 49. R.S.46:30B-76 is amended to read as follows:

20 46:30B-76. Record to be maintained by administrator. Before  
21 making any deposit of funds as provided in R.S.46:30B-74, the  
22 administrator shall record the name and last known address of each  
23 person appearing from the holder's reports to be entitled to the  
24 property [and the name and last known address of each insured person  
25 or annuitant and beneficiary and with respect to each policy or  
26 contract listed in the report of an insurance company, its number, the  
27 name of the company, and the amount due]. However, the  
28 administrator shall not include in this record any information deemed  
29 confidential under R.S.46:30B-76.1. The record of the name and last  
30 known address only shall be available for the public inspection at all  
31 reasonable business hours.

32 (cf: R.S.46:30B-76)

33

34 50. R.S.46:30B-76.1 is amended to read as follows:

35 46:30B-76.1. Confidentiality of certain records. Any record or  
36 information [that] other than name and address is deemed confidential  
37 [under any New Jersey or federal law when in possession of a person  
38 shall continue to be confidential] when revealed or delivered to the  
39 administrator and shall not be considered a public record under section  
40 2 of P.L.1963, c.73 (C.47:1A-2). [Any record or information that is  
41 deemed confidential under any law of another state when in the  
42 possession of that other state shall continue to be confidential when  
43 revealed or delivered by that other state to the administrator and shall  
44 not be considered a public record under section 2 of P.L.1963, c.73  
45 (C.47:1A-2).]

46 (cf: R.S.46:30B-76.1)

1 51. R.S.46:30B-76.2 is amended to read as follows:

2 46:30B-76.2. Disclosure of confidential information. Confidential  
3 information concerning any aspect of unclaimed property shall be  
4 disclosed only to an apparent owner or an administrator or official of  
5 another state for escheat or unclaimed or abandoned property, if that  
6 other state accords substantially reciprocal privileges to the  
7 administrator.

8 Documents and working papers may be:

9 used by the administrator in the course of an action to collect  
10 unclaimed property or otherwise enforce chapter 30B of Title 46 of  
11 the Revised Statutes;

12 used in joint examinations conducted with or pursuant to an  
13 agreement with another state, the federal government, or any other  
14 governmental subdivision, agency, or instrumentality;

15 produced pursuant to subpoena or court order; or

16 disclosed to the abandoned property office of another state for that  
17 state's use in circumstances equivalent to those described in this  
18 section, if the state is bound to keep the documents and papers  
19 confidential.

20 (cf: R.S.46:30B-76.2)

21

22 52. R.S.46:30B-77 is amended to read as follows

23 46:30B-77. Filing claim; another state excluded. a. A person,  
24 excluding another state, claiming an interest in any property paid or  
25 delivered to the administrator may file with [him] the administrator a  
26 claim on a form prescribed by [him] the administrator and verified by  
27 the claimant.

28 b. The administrator shall allow the claim of persons asserting  
29 entitlement as heirs to the property of an intestate decedent paid or  
30 delivered to the administrator pursuant to N.J.S.3B:5-5 only upon  
31 receipt of (1) substantial credible evidence of heirship, (2) satisfactory  
32 evidence that a diligent investigation to locate all heirs of the decedent  
33 has been concluded, (3) the names, last known addresses, and a  
34 description of the relationships of all of the heirs of the decedent  
35 discovered as a result of that investigation, or otherwise, and (4) a  
36 release and refunding bond or other instrument satisfactory to the  
37 administrator, providing the administrator and the State with full  
38 indemnity for claims by other heirs of the decedent. The administrator  
39 shall make payment or delivery as otherwise provided in this article to  
40 the heirs in shares as prescribed in N.J.S.3B:5-3 through  
41 N.J.S.3B:5-14.

42 If the holder has filed an inaccurate or incomplete report and an  
43 owner makes a claim for the return of the property and the  
44 administrator is unable to determine if the property was reported or  
45 delivered, then the holder shall either file an amended accurate and  
46 complete report within 120 days of notice by the administrator or

1 directly pay the owner and thereafter make a claim for reimbursement  
2 in accordance with R.S.46:30B-62. It shall be the holder's burden to  
3 establish that the owner's property was delivered with the original  
4 report.

5 (cf: P.L.1995, c.152, s.4)

6

7 53. R.S.46:30B-78 is amended to read as follows:

8 46:30B-78. Time to consider claim; notice of denial. The  
9 administrator shall consider each claim within [90] 120 days after it  
10 is filed or, in the case of a claim of a person asserting an entitlement  
11 as an heir to the property of an intestate decedent, within [90] 120  
12 days of the claimant's submission of the matters (1) through (4)  
13 required in subsection b. of R.S.46:30B-77, and give written notice to  
14 the claimant if the claim is denied in whole or in part. The notice may  
15 be given by mailing it to the last address, if any, stated in the claim as  
16 the address to which notices are to be sent. If an address for notices  
17 is not stated in the claim, the notice may be mailed to the last address,  
18 if any, of the claimant as stated in the claim. A notice of denial need  
19 not be given if the claim fails to state either the last address to which  
20 notices are to be sent or the address of the claimant.

21 (cf: P.L.1995, c.152, s.5)

22

23 54. R.S.46:30B-79 is amended to read as follows:

24 46:30B-79. Payment of claim. If a claim is allowed, the  
25 administrator shall pay over or deliver to the claimant the property or  
26 the amount the administrator actually received or the net proceeds if  
27 it has been sold by the administrator, together with any additional  
28 amount required by Article 21 of this chapter. If the claim is for  
29 property presumed abandoned under Article 10 of this chapter which  
30 was sold by the administrator within [three years] one year after the  
31 date of delivery, the amount payable for that claim is [the value of the  
32 property at the time the claim was made or] the net proceeds of sale  
33 [, whichever is greater]. At the time a claim is allowed, the  
34 administrator shall pay to the claimant interest upon the monies of the  
35 claimant for the period during which those monies were in the custody  
36 of the administrator, but interest shall not be payable for any period  
37 before the effective date of this chapter. The rate of interest shall be  
38 periodically fixed by the administrator.

39 (cf: R.S.46:30B-79)

40

41 55. R.S.46:30B-81 is amended to read as follows:

42 46:30B-81. Grounds for recovery of property by another state. [At  
43 any time after] After property has been paid or delivered to the  
44 administrator under this chapter another state may recover the  
45 property if:

- 1 a. The property was [subjected] paid or delivered to the custody  
2 [by] of this State because the records of the holder did not reflect  
3 [the] a last known [address] location of the apparent owner [when  
4 the property was presumed abandoned under this chapter,] within the  
5 borders of the other state and the other state establishes that the [last  
6 known address of the] apparent owner or other person entitled to the  
7 property [in] was last known to be located within the borders of that  
8 state and under the laws of that state the property has escheated [to]  
9 or [was] become subject to a claim of abandonment by that state;
- 10 b. The [last known address of the apparent owner or other person  
11 entitled to the property, as reflected by the records of the holder, is in  
12 the other state] property was paid or delivered to the custody of this  
13 State because the laws of the other state did not provide for the  
14 escheat or custodial taking of the property and under the laws of that  
15 state subsequently enacted the property has escheated to or become  
16 subject to a claim of abandonment by that state;
- 17 c. The records of the holder were erroneous in that they did not  
18 accurately [reflect] identify the [actual] owner of the property and  
19 the last known [address] location of the [actual] owner [is in] within  
20 the [other] borders of another state and under the laws of that state  
21 the property has escheated [to] or [was] become subject to a claim  
22 of abandonment by that state;
- 23 d. The property was subjected to custody by this State under  
24 [subsection f. of R.S.46:30B-10] R.S.46:30B-1 et seq. and under the  
25 laws of the state of domicile of the holder of the property has  
26 escheated [to] or become subject to a claim of abandonment by that  
27 state; or
- 28 e. The property is the sum payable on a travelers check, money  
29 order, or [other] similar instrument that was [subject to custody by  
30 this State under Article 4 of this chapter, and the instrument was]  
31 purchased in the other state and delivered into the custody of this state  
32 under R.S.46:30B-14, and under the laws of that state the property has  
33 escheated [to] or [became] become subject to a claim of  
34 abandonment by that state.  
35 (cf: R.S.46:30B-81)

36

37 56. R.S.46:30B-82 is amended to read as follows:

38 46:30B-82. Form of claim; allowance. The claim of another state  
39 to recover escheated or abandoned property shall be presented in a  
40 form prescribed by the administrator, who shall decide the claim within  
41 [90] 120 days after it is presented. The administrator shall allow the  
42 claim if [he] the administrator determines that the other state is  
43 entitled to the abandoned property under R.S.46:30B-81.

44 (cf: R.S.46:30B-82)

1 57. R.S.46:30B-89 is amended to read as follows:

2 46:30B-89. Time within which administrator may bring action  
3 against holder. An action or proceeding may not be commenced by  
4 the administrator [with respect to any duty of a holder under this  
5 chapter more than 10 years after the duty arose] to enforce chapter  
6 30B of Title 46 of the Revised Statutes in regard to the reporting,  
7 delivery, or payment of property more than ten years after the holder  
8 specifically identified the property in a report filed with the  
9 administrator or gave express notice to the administrator of a dispute  
10 regarding the property. In the absence of such a report or other  
11 express notice, the period of limitation is tolled. The period of  
12 limitation is also tolled by the filing of a report that is fraudulent.  
13 (cf: R.S.46:30B-89)

14

15 58. R.S.46:30B-90 is amended to read as follows

16 46:30B-90. Administrator may require filing of reports. The  
17 administrator may require any person who has not filed a report [to  
18 file a verified report stating whether or not the person is holding any  
19 unclaimed property reportable or deliverable under this chapter], or  
20 a person who the administrator believes has filed an inaccurate,  
21 incomplete, or false report, to file a verified report in a form specified  
22 by the administrator. The report shall state whether the person is  
23 holding property reportable under chapter 30B of Title 46 of the  
24 Revised Statutes, describe property not previously reported or as to  
25 which the administrator has made inquiry, and specifically identify and  
26 state the amounts of property that may be in issue.  
27 (cf: R.S.46:30B-90)

28

29 59. R.S.46:30B-91 is amended to read as follows:

30 46:30B-91. Examination of records by administrator; generally.  
31 The administrator, at reasonable times and upon reasonable notice,  
32 may examine the records of any person to determine whether the  
33 person has complied with the provisions of this chapter. The  
34 administrator may conduct the examination even if the person believes  
35 it is not in possession of any property reportable or deliverable under  
36 this chapter. The administrator may contract with any other person to  
37 conduct the examination on behalf of the administrator.

38 (cf: R.S.46:30B-91)

39

40 60. R.S.46:30B-92 is amended to read as follows:

41 46:30B-92. Examination of records by administrator; agents and  
42 fiduciaries for business association. If a person is treated under Article  
43 12 of this chapter as the holder of the property only insofar as the  
44 interest of a business association in the property is concerned, the  
45 administrator, pursuant to R.S.46:30B-91, may examine the records  
46 of the person if the administrator has given the notice required by



1 R.S.46:30B-91 to both the person and the business association at least  
2 90 days before the examination.

3 The administrator at reasonable times may examine the records of  
4 an agent, including a dividend disbursing agent or transfer agent, of a  
5 business association that is the holder of property presumed  
6 abandoned if the administrator has given notice to both the association  
7 and the agent at least 90 days before the examination.

8 (cf: R.S.46:30B-92)

9

10 61. R.S.46:30B-93 is amended to read as follows:

11 46:30B-93. Assessment of costs for examination. If an  
12 examination of the records of a person results in the disclosure of  
13 property reportable and deliverable under this chapter, the  
14 administrator may assess the cost of the examination against the holder  
15 at the rate of ~~[\$100.00 a day]~~ \$50 per hour for each examiner, but in  
16 no case may the charges exceed the value of the property found to be  
17 reportable and deliverable. The cost of examination made pursuant to  
18 R.S.46:30B-93 may be imposed only against the business association.

19 (cf: R.S.46:30B-93)

20

21 62. R.S.46:30B-94 is amended to read as follows:

22 46:30B-94. Assessing estimated costs for examination when  
23 records are insufficient. [If a holder fails after the effective date of  
24 this chapter to maintain the records required by Article 31 of this  
25 chapter, and the records of the holder available for the periods subject  
26 to this chapter are insufficient to permit the preparation of a report,  
27 the administrator may require the holder to report and pay those  
28 amounts as may reasonably be estimated from any available records.]

29 If, after the effective date of P.L. , c. (now pending before the  
30 Legislature as this bill), a holder does not maintain the records  
31 required by R.S.46:30B-95 and the records of the holder available for  
32 the periods subject to this chapter are insufficient to permit the  
33 preparation of a report, the administrator may require the holder to  
34 report and pay to the administrator the amount the administrator  
35 reasonably estimates, on the basis of any available records of the  
36 holder, or by any other reasonable means of estimation acceptable to  
37 the administrator, that should have been but was not reported.

38 In the event property was delivered to the administrator based upon  
39 an estimate or statistical method, the holder shall be required to  
40 indemnify the administrator for any amounts claimed by owners in  
41 excess of the estimated amount remitted.

42 (cf: R.S.46:30B-94)

43

44 63. R.S.46:30B-95 is amended to read as follows:

45 46:30B-95. Maintaining records; generally. Every holder required  
46 to file a report under Article 17 of this chapter, as to any property for

1 which it has obtained the last known address of the owner, shall  
2 maintain a record of the name and last known address of the owner for  
3 five years after [the property becomes reportable] the holder files the  
4 report, except to the extent that a shorter time is provided in  
5 R.S.46:30B-96 or by rule of the administrator.  
6 (cf: P.L.1997, c.33, s.17)

7

8 64. R.S.46:30B-96 is amended to read as follows:

9 46:30B-96. Maintaining records; travelers checks, money orders,  
10 etc. Any business association that sells in this State its travelers  
11 checks, money orders, or other similar written instruments, other than  
12 third-party bank checks on which the business association is directly  
13 liable, or that provides those instruments to others for sale in this  
14 State, shall maintain a record of those instruments while they remain  
15 outstanding, indicating the state and date of issue for three years after  
16 the date the [property is reportable] holder files the report.

17 (cf: R.S.46:30B-96)

18

19 65. R.S.46:30B-98 is amended to read as follows:

20 46:30B-98. Interstate agreements. The administrator may enter  
21 into agreements with other states to exchange information relating to  
22 abandoned property or its possible existence needed to enable this or  
23 another state to audit or otherwise determine unclaimed property that  
24 it or another state may be entitled to subject to a claim of custody.  
25 The agreement may permit the other state, or another person acting on  
26 behalf of a state, to examine records as authorized by R.S.46:30B-1 et  
27 seq. The administrator by rule may require the reporting of  
28 information needed to enable compliance with agreements made  
29 pursuant to this section and prescribe the form.

30 (cf: R.S.46:30B-98)

31

32 66. R.S.46:30B-104 is amended to read as follows:

33 46:30B-104. Penalty for [willful] failure to render report or  
34 perform other duties. [A person who willfully fails to render any  
35 report or perform other duties required under this chapter shall pay a  
36 civil penalty of \$100.00 for each day the report is withheld or the duty  
37 is not performed.] Except as otherwise provided in R.S.46:30B-105  
38 or 46:30B-105.1, a holder who fails to report, pay or deliver property  
39 within the time prescribed by chapter 30B of Title 46 of the Revised  
40 Statutes, or fails to perform other duties imposed by that chapter, shall  
41 pay to the administrator, in addition to the interest as provided in  
42 R.S.46:30B-103, a civil penalty of \$200 for each day the report,  
43 payment, or delivery is withheld, or the duty is not performed, up to  
44 a maximum of \$100,000.

45 (cf: R.S.46:30B-104)

1 67. R.S.46:30B-105 is amended to read as follows

2 46:30B-105. Penalty for willful failure to report, pay or deliver  
3 property. [A person who willfully fails to pay or deliver property to  
4 the administrator as required under this chapter shall pay a civil  
5 penalty equal to 25% of the value of the property that should have  
6 been paid or delivered. ] A holder who willfully fails to report, pay,  
7 or deliver property within the time prescribed by chapter 30B of Title  
8 46 of the Revised Statutes, shall pay to the administrator, in addition  
9 to the interest provided in R.S.46:30B-103, a penalty of \$1,000 for  
10 each day the report, payment, or delivery is withheld, or the duty is  
11 not performed, up to a maximum of \$250,000, plus 25% of the value  
12 of any property that should have been but was not reported.

13 For the purpose of this section, a willful failure to report includes  
14 the filing of a report which is plainly inaccurate, incomplete, or out of  
15 balance and the same is not corrected by the holder within six months  
16 after its original due date.

17 (cf: R.S.46:30B-105)

18

19 68. R.S.46:30B-105.1 is amended to read as follows

20 46:30B-105.1. [Waiver of penalty and interest. The administrator  
21 shall have discretion to waive the payment of penalties and interest or  
22 to reduce the amount of the interest in an appropriate circumstance.]  
23 Penalty for fraudulent report. A holder who makes a fraudulent report  
24 shall pay to the administrator, in addition to interest as provided in  
25 R.S.46:30B-103, a civil penalty of \$1,000 for each day the report,  
26 payment or delivery is withheld, or the duty is not performed, up to a  
27 maximum of \$250,000, plus 25% of the value of any property that  
28 should have been but was not reported.

29 (cf: R.S.46:30B-105.1)

30

31 69. (New section) Waiver of penalty and interest. The  
32 administrator shall have discretion to waive the payment of penalties  
33 and interest or to reduce the amount of the interest in an appropriate  
34 circumstance.

35

36 70. This act shall take effect immediately .

37

38

39

#### STATEMENT

40

41 This bill amends the Uniform Unclaimed Property Act of 1989. It  
42 reduces the time that private financial organizations and business  
43 associations may hold unclaimed properties before transferring them  
44 to the State. This would align New Jersey's unclaimed property law  
45 with that of most other states. New Jersey is currently the only State  
46 in the nation with a ten-year dormancy period for checking and savings

1 accounts. Most states require a five-year dormancy period while a  
2 number of states recently amended their laws to require a three-year  
3 dormancy period. For other properties, New Jersey's dormancy period  
4 is longer than that required by most of the other states.

5 This bill also clarifies and expands the types of properties that are  
6 to be transferred to the state after the formancy period has passed.  
7 Several of these properties are already transferred to the State but are  
8 not clearly defined in the Unclaimed Property Act. Other properties,  
9 such as non-traditional IRAs, have been included in practice but are  
10 not specifically enumerated because they did not exist at the time the  
11 act was last amended. As such, the bill brings the statute in line with  
12 unclaimed property practice.

13

14 The bill makes additional changes to the Unclaimed Property Act  
15 as follows:

16

17 C Clarifies the definition of "holder," so that it is consistent with  
18 the definition recently articulated by the New Jersey Supreme  
19 Court.

20

21 C Establishes that a record of the issuance of a check, draft or  
22 similar instrument is prima facie evendence of an obligation and  
23 this, coupled with the passage of the requisite dormancy  
24 period, creates a presumption of abandonment. It further  
25 provides that the holder has the burden of proving that the  
26 property was not abandoned.

27

28 C Imposes a prohibition on "escheat fees" that are charged by  
29 financial organizations and business associations at the time  
30 they transfer properties to the State or for the administration  
31 of a dormant account.

32

33 C Amends the advertising requirement such that only properties  
34 valued at more than \$100 will be advertised. The Division of  
35 Taxation currently advertises the properties valued at more  
36 than \$50 on it website and will continue to do so.

37

38 C Clarifies that only the name and address of the property owner  
39 is public information while account balances and numbers are  
40 confidential and not subject to public release. This amendment  
41 would protect the owners of the property and align the  
42 Unclaimed Property Act with an executive order that deemed  
43 all information about unclaimed property to be confidential.

44

45 C Increases the penalties for willful failure to report, pay or  
46 deliver property or otherwise comply with the terms of the

1 Unclaimed Property Act.

# ASSEMBLY BUDGET COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 2507**

with Assembly committee amendments

# STATE OF NEW JERSEY

DATED: JUNE 10, 2002

The Assembly Budget Committee reports favorably Assembly Bill No. 2507, with committee amendments.

Assembly Bill No. 2507, as amended, modifies the Uniform Unclaimed Property Act. The bill shortens the time periods (or "dormancy periods") that private financial organizations and business associations may hold properties before transferring them to the State as unclaimed or abandoned property. This aligns New Jersey's unclaimed property law with those of most other states. New Jersey is currently the only state in the nation with a ten-year dormancy period for checking and savings accounts. Most states require a five-year dormancy period, while a number of states recently amended their laws to establish a three-year dormancy period. For other properties, New Jersey's dormancy period is longer than that established in most of the other states.

The bill also clarifies and expands the types of properties that are to be transferred to the State after the dormancy period has lapsed. Several of these types of property are already being transferred to the State, but are not clearly covered in the Unclaimed Property Act. Other properties, such as non-traditional IRAs, have been included in practice but are not specifically enumerated because they did not exist at the time the act was last amended. These provisions of the bill bring the New Jersey statute into line with national unclaimed property practice.

The bill makes additional changes to the Unclaimed Property Act as follows:

- < Clarifies the definition of "holder" to be consistent with the definition recently articulated by the New Jersey Supreme Court;
- < Establishes that a record of the issuance of a check, draft or similar instrument is prima facie evidence of an obligation. This, coupled with the elapsing of the requisite dormancy period, creates a presumption of abandonment. It further provides that the holder has the burden of proving that the property was not abandoned;
- < Imposes a prohibition on "escheat fees" that are charged by financial organizations and business associations at the time they transfer properties to the State or for the administration of a dormant account;

- < Amends the requirement that the State administrator of abandoned property give public notice of the delivery of such property to the administrator to limit the requirement to property valued at more than \$100. The Division of Taxation currently advertises properties valued at more than \$50 on its website and will continue to do so;
- < Clarifies that only the name and address of the property owner are public information, while account balances and numbers are confidential and not subject to public release. This change protects the owners of the property and aligns the statute with an executive order that deemed all information about unclaimed property to be confidential; and
- < Increases the penalties for willful failure to report, pay or deliver property or otherwise comply with the terms of the Unclaimed Property Act.

**FISCAL IMPACT:**

The Governor's proposed budget (Schedule I) anticipates that in FY2003, some \$255 million will be transferred from the Unclaimed Personal Property Trust Fund to the General Fund. According to testimony before the Senate Budget and Appropriations Committee by staff of the Division of Taxation in the Department of the Treasury, some \$200 million to \$220 million of this projected revenue is attributable to the anticipated enactment of this bill.

The provisions of the bill are expected to have effect beginning in FY2003. The provisions reducing the dormancy period for property already subject to the unclaimed property statute are expected to yield considerable revenue in that fiscal year, when ownership inactivity over a period of time that is one or more years short of abandonment under current law will suddenly acquire that status by operation of the legislation. This revenue will not recur in subsequent fiscal years.

Additional receipts will be generated by the provisions that extend the scope of the escheatment law to new types of property and clarify the application of the law to categories already acknowledged by some fiduciaries (but not all) to be covered. Just as with the "reduced dormancy" categories, substantial revenue will be realized in FY2003 from these types of property, with multiple years' worth of unclaimed property becoming newly subject to escheat. For these categories, however, the added revenue will recur in years after FY2003, although at much reduced levels.

(1) The Division of Taxation projects that the reduction of the various dormancy periods to a uniform three years will raise FY2003 revenue from property categories already covered by the unclaimed property law from about \$90 million to an estimated \$309 million, an increase of \$219 million. The increase was calculated by (i) determining, for the five-year period 1996-2000, the average annual amount of escheated property in the three categories (10-year, seven-year and five-year) for which the dormancy period is reduced under

the bill, and then (ii) multiplying those separate average amounts times the number of years by which the relevant dormancy period under current law exceeds the proposed uniform period of three years (i.e., by the factors seven, four and two, respectively).

(2) The division projects FY2003 revenue from the "new" and "clarified" categories of covered property as follows: sums payable on demutualization - \$50 million; non-dividend-paying securities - \$5 million; corporate debt paying periodic interest - \$4 million; shares held through a dividend reinvestment program - \$7 million; shares in a mutual fund - \$6 million; total - \$72 million.

The cumulative total of these estimated increases for FY2003 is \$291 million. N.J.S.A.46:30B-74 provides that 75% of all funds escheated to the State and deposited into the Unclaimed Personal Property Trust Fund shall be transferred to the General Fund, unless the administrator of unclaimed property deems it prudent to do otherwise. Under the 75% standard, the total amount of new revenue available in FY2003 for transfer to the General Fund would be roughly \$219 million. Escheatment revenue for FY2002 under current law is projected at \$90 million. (It was over \$100 million in both FY2000 and FY2001, but may be expected to decline with the general deterioration in security values recently experienced.) If it is assumed that a like amount would be realized in FY2003 without a change in the law, then revenue for the fiscal year under the law as revised by the bill would support the \$255 million transfer from the Trust Fund to the General Fund anticipated in the proposed FY2003 budget.

The Division of Taxation indicates that in FY2004 and thereafter, the recurring revenue increases under the bill are expected to be in the range of \$10 million.

#### COMMITTEE AMENDMENTS:

The amendments:

(1) repeal R.S.46:30B-35, which excludes from coverage under the escheat law any stock or other ownership interest enrolled in an automatic dividend reinvestment plan unless the plan records indicate that the owner has not communicated during the dormancy period with respect to interests not enrolled in the reinvestment plan;

(2) eliminate a provision of the rule governing escheatment of unclaimed dividends as being inconsistent with other provisions of the escheat law;

(3) delete superfluous references to both tangible and intangible property appearing in provisions wherein no distinction is made between the two;

(4) require that the written notice to the apparent owner of property presumed abandoned be by certified mail, with return receipt requested;

(5) eliminate a provision that would have shortened the dormancy period for money orders from seven to three years; and

(6) incorporate various technical changes and editorial revisions.



**FISCAL NOTE**  
**ASSEMBLY, No. 2507**  
**STATE OF NEW JERSEY**  
**210th LEGISLATURE**

DATED: JULY 16, 2002

**SUMMARY**

**Synopsis:** Clarifies and expands categories of property which may escheat to State; reduces time for unclaimed property to escheat to State.

**Type of Impact:** Revenue gain; Unclaimed Personal Property Trust Fund.

**Agencies Affected:** Department of the Treasury.

**Executive Estimate**

| <b>Fiscal Impact</b> | <b>FY 2003</b> | <b>FY 2004</b> | <b>FY 2005</b> |
|----------------------|----------------|----------------|----------------|
| <b>State Revenue</b> | \$209,000,000  | \$0            | \$0            |

- ! The Office of Legislative Services (OLS) **concurs** with the Executive estimate.
- ! Reduces the amount of time before unclaimed property escheats to the State and expands and redefines the categories of property which may escheat to the State.
- ! OLS notes that this is a one time revenue increase of approximately \$209 million.

**BILL DESCRIPTION**

Assembly Bill No. 2507 of 2002 amends the “Uniform Unclaimed Property Act of 1989” by reducing abandonment periods for unclaimed properties before such properties may be transferred to the State.

This bill also expands the types of properties that may be transferred to the State, such as non-traditional IRAs, which have been included in practice but are not specifically enumerated. It also adds mineral rights and mineral proceeds as property that may escheat to the State.

This bill places the burden of proof on the apparent owner of property that such property was not abandoned and prohibits holders of presumed abandoned property from imposing escheat fees.

## FISCAL ANALYSIS

### *EXECUTIVE BRANCH*

The Department of the Treasury estimates \$209 million in additional revenue in FY 2003 from the changes in the abandonment period that must run prior to escheat, and redefinition and addition of certain properties. The department estimated total FY 2003 escheat revenues at \$294 million. Of this amount, \$209 million would be additional revenue raised as a result of enactment of this legislation with the remaining \$85 million collected under the provisions of current law.

### *OFFICE OF LEGISLATIVE SERVICES*

The Office of Legislative Services (OLS) concurs with the Executive estimate. OLS notes that by accelerating collections to the Unclaimed Personal Property Trust Fund the State would realize a one time revenue increase of approximately \$209 million, to \$294 million. In FY 2004 and FY 2005, OLS estimates that escheat revenue collections will return to the average annual collection rate of approximately \$85 million.

Section: *State Government*

Analyst: *James F. Vari*  
*Associate Fiscal Analyst*

Approved: *Alan R. Kooney*  
*Legislative Budget and Finance Officer*

This fiscal note has been prepared pursuant to P.L.1980, c.67.

**SENATE, No. 1557**

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**STATE OF NEW JERSEY**  
**210th LEGISLATURE**

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INTRODUCED MAY 30, 2002

**Sponsored by:**  
**Senator JOHN H. ADLER**  
**District 6 (Camden)**

**SYNOPSIS**

Clarifies and expands categories of property which may escheat to State;  
reduces time for unclaimed property to escheat to State.

**CURRENT VERSION OF TEXT**

As introduced.



S1557 ADLER

2

1 AN ACT concerning the escheat of unclaimed property to the State and  
2 amending and supplementing chapter 30B of Title 46 of the Revised  
3 Statutes.

4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7

8 1. R.S.46:30B-1 is amended to read as follows:

9 46:30B-1. Short title. This chapter shall be known and may be  
10 cited as the "Uniform Unclaimed Property Act [(1981)]."  
11 (cf: R.S.46:30B-1)

12

13 2. R.S.46:30B-4 is amended to read as follows:

14 46:30B-4. Effect of chapter on duty of holder to report, pay or  
15 deliver property under prior law. This chapter does not relieve a  
16 holder of a duty that arose before the effective date of this chapter to  
17 report, pay, or deliver property. A holder who did not comply with  
18 the law in effect before the effective date of this chapter is subject to  
19 the applicable enforcement and penalty provisions that then existed  
20 and they are continued in effect for the purpose of this section, subject  
21 to R.S.46:30B-89; however, after the effective date of this chapter, the  
22 interest and penalties set forth in article 34 of this chapter shall be  
23 assessed against the holder for failure to report, pay [and] or deliver  
24 the property presumed abandoned in accordance with the prior  
25 statutory provisions.

26 (cf: R.S.46:30B-4)

27

28 3. R.S.46:30B-6 is amended to read as follows:

29 46:30B-6. Definitions.

30 As used in this chapter:

31 a. "Administrator" means the Treasurer of the State of New Jersey,  
32 any individual serving as the Acting Treasurer in the absence of the  
33 appointed Treasurer, and any State employee to whom the Treasurer  
34 has delegated authority to administer the provisions of this chapter and  
35 to execute any pertinent documents;

36 b. "Apparent owner" means the person whose name appears on the  
37 records of the holder as the person entitled to property held, issued,  
38 or owing by the holder;

39 c. ["Banking organization" means any bank, trust company,  
40 savings bank, safe deposit company, private banker, or any  
41 organization defined by other law as a bank or banking organization]  
42 Deleted by amendment, P.L. , c. (now pending before the  
43 Legislature as this bill);

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 d. "Business association" means a [nonpublic] corporation, joint  
2 stock company, investment company, business trust, partnership, [or]  
3 unincorporated association [for business purposes of two or more  
4 individuals, whether or not for profit, including a banking  
5 organization, financial organization, insurance company, or utility] ,  
6 joint venture, limited liability company, safe deposit company,  
7 safekeeping depository, financial organization, insurance company,  
8 mutual fund, utility or other business entity consisting of one or more  
9 persons, whether or not for profit;

10 e. "Domicile" means the state of incorporation of a corporation and  
11 the state of the principal place of business of an unincorporated  
12 person;

13 f. "Financial organization" means a savings and loan association,  
14 building and loan association, [or] credit union, savings bank,  
15 industrial bank, bank, banking organization, trust company, safe  
16 deposit company, private banker, or any organization defined by other  
17 law as a bank or banking organization;

18 g. "Holder" means a person, wherever organized or domiciled, who  
19 is[:

20 (1) In possession of property belonging to another,

21 (2) A trustee, or

22 (3) Indebted to another on an obligation]

23 the original obligor indebted to another on an obligation;

24 h. "Insurance company" means an association, corporation,  
25 fraternal or mutual benefit organization, whether or not for profit,  
26 which is engaged in providing insurance coverage, including accident,  
27 burial, casualty, credit life, contract performance, dental, fidelity, fire,  
28 health, hospitalization, illness, life (including endowments and  
29 annuities), malpractice, marine, mortgage, surety, and wage protection  
30 insurance;

31 i. ["Intangible property" includes:

32 (1) Moneys, checks, drafts, deposits, interest, dividends, and  
33 income;

34 (2) Credit balances, customer overpayments, security deposits,  
35 refunds, credit memos, unpaid wages, unused airline tickets, and  
36 unidentified remittances;

37 (3) Stocks and other intangible ownership interests in business  
38 associations;

39 (4) Moneys deposited to redeem stocks, bonds, coupons, and other  
40 securities, or to make distributions;

41 (5) Amounts due and payable under the terms of insurance policies;  
42 and

43 (6) Amounts distributable from a trust or custodial fund established  
44 under a plan to provide health, welfare, pension, vacation, severance,  
45 retirement, death, stock purchase, profit sharing, employee savings,

- 1 supplemental unemployment insurance, or similar benefits] Deleted by  
2 amendment, P.L. , c. (now pending before the Legislature as this  
3 bill);
- 4 j. ["Last known address" means a description of the location of the  
5 apparent owner sufficient for the purpose of the delivery of mail]  
6 Deleted by amendment, P.L. , c. (now pending before the  
7 Legislature as this bill);
- 8 k. "Owner" means a person having a legal or equitable interest in  
9 property subject to this chapter or the person's legal representative and  
10 includes, but is not limited to, a depositor in the case of a deposit, a  
11 beneficiary in case of a trust other than a deposit in trust, and a  
12 creditor, claimant, or payee in the case of other [intangible] property  
13 [, or a person having a legal or equitable interest in property subject  
14 to this chapter or his legal representative];
- 15 l. "Person" means an individual, business association, state or other  
16 government, governmental subdivision or agency, public corporation,  
17 public authority, estate, trust, two or more persons having a joint or  
18 common interest, or any other legal or commercial entity;
- 19 m. "State" means any state in the United States, district,  
20 commonwealth, territory, insular possession, or any other area subject  
21 to the [legislative authority] jurisdiction of the United States;
- 22 n. "Utility" means a person who owns or operates for public use  
23 any plant, equipment, property, franchise, or license for the  
24 transmission of communications or the production, storage,  
25 transmission, sale, delivery, or furnishing of electricity, water, steam,  
26 or gas[.];
- 27 o. "Mineral" means gas, oil, coal, other gaseous, liquid, and solid  
28 hydrocarbons, oil shale, cement material, sand and gravel, road  
29 material, building stone, chemical raw material, gemstone, fissionable  
30 and nonfissionable ores, colloidal and other clay, steam and other  
31 geothermal resources, or any other substance defined as a mineral by  
32 the law of this State;
- 33 p. "Mineral proceeds" means amounts payable for the extraction,  
34 production, or sale of minerals, or, upon the abandonment of those  
35 payments, all payments that become payable thereafter, and includes,  
36 but is not limited to, amounts payable:  
37 for the acquisition and retention of a mineral lease, including  
38 bonuses, royalties, compensatory royalties, shut-in royalties, minimum  
39 royalties, and delay rentals;  
40 for the extraction, production, or sale of minerals, including net  
41 revenue interests, royalties, overriding royalties, extraction payments,  
42 and production payments; and  
43 under an agreement of option, including a joint operating  
44 agreement, pooling agreement, and farm-out agreement;
- 45 q. "Money order" means an express money order and a personal  
46 money order, on which the remitter is the purchaser;

1     r. "Property" means tangible property described in R.S.46:30B-45  
2 or a fixed and certain interest in intangible property that is held,  
3 issued, or owed in the course of a holder's business, or by a  
4 government, government subdivision, agency, or instrumentality, and  
5 all income or increments therefrom, and includes property that is  
6 referred to as or evidenced by:

7     money, a check, draft, deposit, interest, or dividend;  
8     credit balance, customer's overpayment, security deposit, refund,  
9 credit memorandum, unpaid wage, unused ticket, mineral proceeds or  
10 unidentified remittance;

11     stock or other evidence of ownership of an interest in a business  
12 association or financial organization;

13     a bond, debenture, note, or other evidence of indebtedness;

14     money deposited to redeem stock, bonds, coupons, or other  
15 securities or distributions;

16     an amount due and payable under the terms of an annuity or  
17 insurance policy, including policies providing life insurance, property  
18 and casualty insurance, workers compensation insurance, or health and  
19 disability insurance; and

20     an amount distributable from a trust or custodial fund established  
21 under a plan to provide health, welfare, pension, vacation, severance,  
22 retirement, death stock purchase, profit sharing, employee savings,  
23 supplemental unemployment, insurance, or similar benefits; and

24     s. "Record" means information that is inscribed on a tangible  
25 medium or that is stored in an electronic or other medium and is  
26 retrievable in perceivable form.

27 (cf: R.S.46:30B-6)

28

29     4. R.S.46:30B-7 is amended to read as follows:

30     46:30B-7. When property presumed abandoned generally. Except  
31 as otherwise provided by this chapter, all [intangible] property,  
32 including any income or increment derived therefrom, less any lawful  
33 charges, whether located in this State or another state, that is held,  
34 issued, owing in the ordinary course of a holder's business and has  
35 remained unclaimed by the owner for more than [five] ~~three~~ years  
36 after it became payable or distributable is presumed abandoned.

37     At the time that an interest is presumed abandoned under this  
38 section, any other property right accrued or accruing to the owner as  
39 a result of the interest, and not previously presumed abandoned, is also  
40 presumed abandoned.

41 (cf: R.S.46:30B-7)

42

43     5. R.S.46:30B-7.1 is amended to read as follows:

44     46:30B-7.1. Communication between holder and apparent owner.  
45 Property shall not be presumed abandoned if within the period that the  
46 property remains unclaimed [there has been a communication between

1 the holder and the apparent owner. The communication shall be a  
2 writing initiated or generated by or from the apparent owner to the  
3 holder or issuer concerning the unclaimed property, or a memorandum  
4 or other record on file with the holder or issuer prepared by an  
5 employee of the holder or issuer and evidencing that the apparent  
6 owner has indicated an interest in the property. This provision shall  
7 apply to all property notwithstanding any specific provisions of this  
8 chapter which do not expressly address the issue of communication  
9 between the holder or issuer and the apparent owner during the period  
10 that the property remains unclaimed] the apparent owner  
11 communicated in writing or by other means reflected in a  
12 contemporaneous record prepared by or on behalf of the holder, with  
13 the holder concerning property or the account in which the property  
14 is held, or has otherwise indicated an interest in the property. A  
15 communication with an owner by a person other than the holder or its  
16 representative who has not in writing identified the property to the  
17 owner is not an indication of interest in the property by the owner. An  
18 indication of an owner's interest in property includes:

19 the presentment of a check or other instrument of payment of a  
20 dividend or other distribution made with respect to an account or  
21 underlying stock or other interest in a business association or financial  
22 organization or, in the case of a distribution made by electronic or  
23 similar means, evidence that the distribution has been received;

24 owner-directed activity in the account in which the property is held,  
25 including a direction by the owner to increase, decrease, or change the  
26 amount or type of property held in the account; and

27 the payment of a premium with respect to a property interest in an  
28 insurance policy, but the application of an automatic premium loan  
29 provision or other nonforfeiture provision contained in an insurance  
30 policy does not prevent a policy from maturing or terminating if the  
31 insured has died or the insured or the beneficiary of the policy has  
32 otherwise become entitled to the proceeds before the depletion of the  
33 cash surrender value of a policy by the application of those provisions.

34 (cf: R.S.46:30B-7.1)

35

36 6. (New section) Limitation on holder's power to impose charges.  
37 A holder may not deduct from the amount due a person who has a  
38 legal or equitable interest in any property subject to chapter 30 B of  
39 Title 46 of the Revised Statutes any charges due to dormancy or  
40 inactivity, unless:

41 there is an enforceable written contract between the holder and the  
42 owner of the property pursuant to which the holder may impose a  
43 charge; and

44 the holder regularly imposes charges and does not regularly reverse  
45 or otherwise cancel those charges with respect to the property, the  
46 amount of any charges is not unconscionable, and no additional



1 charges are imposed as a result of escheatment of the property.

2

3 7. R.S.46:30B-9 is amended to read as follows:

4 46:30B-9. When property subject to custody. Unless otherwise  
5 provided in this chapter or by other statute of this State, [intangible]  
6 property is subject to the custody of this State as unclaimed property  
7 if the conditions raising a presumption of abandonment under Articles  
8 2 and 5 through 16 of this chapter are satisfied and the conditions  
9 under R.S.46:30B-10 are satisfied. The common law doctrine of bona  
10 vacantia shall remain viable with respect to unclaimed property not

11 covered by this chapter or another statute of this State.

12 (cf: R.S.46:30B-9)

13

14 8. R.S.46:30B-10 is amended to read as follows:

15 46:30B-10. Further conditions to be satisfied to subject property  
16 to custody. To subject [intangible personal] property to the custody  
17 of this State as unclaimed property, the following conditions shall be  
18 also satisfied:

19 a. The last known address, as shown on the records of the holder,  
20 of the apparent owner is in this State;

21 b. The records of the holder do not reflect the identity of the  
22 person entitled to the property and it is established that the last known  
23 address of the person entitled to the property is in this State;

24 c. The records of the holder do not reflect the last known address  
25 of the apparent owner, and it is established that:

26 (1) The last known address of the person entitled to the property  
27 is in this State, or

28 (2) The holder is a domiciliary or a government or governmental  
29 subdivision or agency of this State and has not previously paid or  
30 delivered the property to the state of the last known address of the  
31 apparent owner or other person entitled to the property;

32 d. The last known address, as shown on the records of the holder,  
33 of the apparent owner is in a state that does not provide by law for the  
34 escheat or custodial taking of the property or its escheat or unclaimed  
35 property law is not applicable to the property and the holder is a  
36 domiciliary or a government or governmental subdivision or agency of  
37 this State;

38 e. The last known address, as shown on the records of the holder,  
39 of the apparent owner is in a foreign nation and the holder is a  
40 domiciliary or a government or governmental subdivision or agency of  
41 this State; or

42 f. The transaction out of which the property arose occurred in this  
43 State, and

44 (1) The last known address of the apparent owner or other person  
45 entitled to the property is unknown, or

46 (2) The last known address of the apparent owner or other person

1 entitled to the property is in a state that does not provide by law for  
2 the escheat or custodial taking of the property or its escheat or  
3 unclaimed property law is not applicable to the property, [and] or

4 (3) The holder is a domiciliary of a state that does not provide by  
5 law for the escheat or custodial taking of the property or its escheat  
6 or unclaimed property law is not applicable to the property [and] ,or

7 (4) The holder is domiciled in a state that does not provide for the  
8 escheat or custodial taking of the property, and the last known address  
9 of the apparent owner or other person entitled to the property is  
10 unknown or is in a state that does not provide for the escheat or  
11 custodial taking of the property.

12 (cf: R.S.46:30B-10)

13

14 9. (New section) Presumption of abandonment after issuance. A  
15 record of the issuance of a check, draft, or similar instrument is prima  
16 facie evidence of an obligation. In claiming property from a holder  
17 who is also the issuer, the administrator's burden of proof as to the  
18 existence and amount of the property and its abandonment is satisfied  
19 by showing issuance of the instrument and passage of the requisite  
20 period of abandonment. Defenses of payment, satisfaction, discharge,  
21 and want of consideration are affirmative defenses that shall be  
22 established by the holder.

23

24 10. R.S.46:30B-11 is amended to read as follows:

25 46:30B-11. Presumption of abandonment of travelers check.  
26 Subject to R.S.46:30B-14, any sum payable on a travelers check that  
27 has been outstanding for more than 15 years after its issuance is  
28 presumed abandoned unless the owner, within 15 years, has  
29 communicated in writing with the issuer concerning it or otherwise  
30 indicated an interest as evidenced by a contemporaneous memorandum  
31 or other record on file prepared by an employee of the issuer.

32 (cf: R.S.46:30B-11)

33

34 11. R.S.46:30B-12 is amended to read as follows:

35 46:30B-12. Presumption of abandonment of money order. Subject  
36 to R.S.46:30B-14, any sum payable on a money order or similar  
37 written instrument [, other than a third-party bank check,] that has  
38 been outstanding for more than [seven] three years after its issuance  
39 is presumed abandoned unless the owner, within [seven] three years,  
40 has communicated in writing with the issuer concerning it or otherwise  
41 indicated an interest as evidenced by a contemporaneous memorandum  
42 or other record on file prepared by an employee of the issuer.

43 (cf: R.S.46:30B-12)

44

45 12. R.S.46:30B-13 is amended to read as follows:

46 46:30B-13. Limitation on holder's power to impose service

1 charges. A holder may not deduct from the amount of a travelers  
2 check or money order any charge imposed by reason of the failure to  
3 present the instrument for payment unless there is a valid and  
4 enforceable written contract between the issuer and the owner of the  
5 instrument pursuant to which the issuer may impose a charge and the  
6 issuer regularly imposes the charges and does not regularly reverse or  
7 otherwise cancel them. The amount of the deduction shall be limited  
8 to an amount that is not unconscionable.

9 (cf: R.S.46:30B-13)

10

11 13. R.S.46:30B-16 is amended to read as follows:

12 46:30B-16. Presumption of abandonment. Any sum payable on a  
13 check, draft, or similar instrument, except those subject to  
14 R.S.46:30B-11 and R.S.46:30B-12, on which a [banking or] financial  
15 organization is directly liable, including a cashier's check and a  
16 certified check, which has been outstanding for more than [five] three  
17 years after it was payable on demand, is presumed abandoned, unless  
18 the owner, within [five] three years, has communicated in writing with  
19 the [banking or] financial organization concerning it or otherwise  
20 indicated an interest as evidenced by a contemporaneous memorandum  
21 or other record on file prepared by an employee thereof.

22 (cf: R.S.46:30B-16)

23

24 14. R.S.46:30B-17 is amended to read as follows:

25 46:30B-17. Limitation on holder's power to impose charges. A  
26 holder may not deduct from the amount of any instrument subject to  
27 R.S.46:30B-16 any charge imposed by reason of the failure to present  
28 the instrument for payment unless there is a valid and enforceable  
29 written contract between the holder and the owner of the instrument  
30 pursuant to which the holder may impose a charge, and the holder  
31 regularly imposes the charges and does not regularly reverse or  
32 otherwise cancel them. The amount of the deduction shall be limited  
33 to an amount that is not unconscionable.

34 (cf: R.S.46:30B-17)

35

36 15. R.S.46:30B-18 is amended to read as follows:

37 46:30B-18. Presumption of abandonment. [Any] A demand,  
38 savings, or [matured] time deposit [with a banking or financial  
39 organization] , including a deposit that is automatically renewable,  
40 and any funds paid toward the purchase of a share, a mutual fund  
41 investment certificate, or any other interest in a [banking or] financial  
42 organization is presumed abandoned [unless the owner, within 10  
43 years,] three years after the earlier of maturity or the date of the last  
44 indication by the owner of interest in the property, but a deposit that  
45 is automatically renewable is deemed matured for the purposes of this

1 section upon its initial date of maturity, unless the owner has  
2 consented to a renewal at or about the time of renewal and the  
3 consent is in writing or is evidenced by a contemporaneous  
4 memorandum or other record on file with the holder, provided,  
5 however, that such abandonment shall not be deemed to have occurred  
6 if the owner, within the time period stated above has :

7 a. In the case of a deposit, increased or decreased its amount or  
8 presented the passbook or other similar evidence of the deposit for the  
9 crediting of interest;

10 b. Communicated in writing with the [banking or] financial  
11 organization concerning the property;

12 c. Otherwise indicated an interest in the property as evidenced by  
13 a contemporaneous memorandum or other record on file prepared by  
14 an employee of the [banking or] financial organization;

15 d. Owned other property to which subsection a., b., or c. applies  
16 and if the [banking or] financial organization communicates in writing  
17 with the owner with regard to the property that would otherwise be  
18 presumed abandoned under this section at the address to which  
19 communications regarding the other property regularly are sent; or

20 e. Had another relationship with the [banking or] financial  
21 organization concerning which the owner has:

22 (1) Communicated in writing with the [banking or] financial  
23 organization, or

24 (2) Otherwise indicated an interest as evidenced by a  
25 contemporaneous memorandum or other record on file prepared by an  
26 employee of the [banking or] financial organization and if the  
27 [banking or] financial organization communicates in writing with the  
28 owner with regard to the property that would otherwise be abandoned  
29 under this section at the address to which communications regarding  
30 the other relationship regularly are sent.

31 (cf: R.S.46:30B-18)

32  
33 16. R.S.46:30B-20 is amended to read as follows:

34 46:30B-20. Limitation on holder's power to impose charges. A  
35 holder may not impose with respect to property described in  
36 R.S.46:30B-18 any charge due to dormancy or inactivity or cease  
37 payment of interest unless:

38 a. There is an enforceable written contract between the holder and  
39 the owner of the property pursuant to which the holder may impose a  
40 charge or cease payment of interest;

41 b. For property in excess of \$2.00, the holder, no more than three  
42 months before the initial imposition of those charges or cessation of  
43 interest, has given written notice to the owner of the amount of those  
44 charges at the last known address of the owner stating that those  
45 charges will be imposed or that interest will cease, but the notice  
46 provided in this subsection need not be given with respect to charges

1 imposed or interest ceased before the effective date of this chapter;  
2 and

3 c. The holder regularly imposes the charges or ceases payment of  
4 interest and does not regularly reverse or otherwise cancel them or  
5 retroactively credit interest with respect to the property. The amount  
6 of the deduction shall be limited to an amount that is not  
7 unconscionable. Also, no additional charges shall be assessed as the  
8 result of escheatment of the property.

9 (cf: R.S.46:30B-20)

10

11 17. R.S.46:30B-21 is amended to read as follows:

12 46:30B-21. When automatically renewable property is matured.  
13 Any property described in R.S.46:30B-18 that is automatically  
14 renewable is matured for purposes of R.S.46:30B-18 upon the  
15 expiration of its initial time period, but in the case of any renewal by  
16 communicating in writing with the [banking or] financial organization  
17 or otherwise indicating consent as evidenced by a contemporaneous  
18 memorandum or other record on file prepared by an employee of the  
19 organization, the property is matured upon the expiration of the last  
20 time period for which consent was given. If, at the time provided for  
21 delivery in Article 19 of this chapter, a penalty or forfeiture in the  
22 payment of interest would result from the delivery of the property, the  
23 time for delivery is extended until the time when a penalty or forfeiture  
24 would not result.

25 (cf: R.S.46:30B-21)

26

27 18. R.S.46:30B-22 is amended to read as follows:

28 46:30B-22. Presumption of abandonment. Funds held or owing  
29 under any life or endowment insurance policy or annuity contract that  
30 has matured or terminated are presumed abandoned if unclaimed for  
31 more than [five] three years after the funds became due and payable  
32 as established from the records of the insurance company holding or  
33 owing the funds, but property described in subsection b. of  
34 R.S.46:30B-24 is presumed abandoned if unclaimed for more than two  
35 years.

36 (cf: R.S.46:30B-22)

37

38 19. R.S.46:30B-24 is amended to read as follows:

39 46:30B-24. Determining maturity of insurance policy or annuity  
40 contract. For purposes of this article, a life or endowment insurance  
41 policy or annuity contract not matured by actual proof of death of the  
42 insured or annuitant according to the records of the company is  
43 matured and the proceeds due and payable if:

44 a. The company knows that the insured or annuitant has died; or

45 b. The insured has attained, or would have attained if he were  
46 living, the limiting age under the mortality table on which the reserve

1 is based;

2 c. The policy was in force at the time the insured attained, or  
3 would have attained, the limiting age specified in subsection b.; and

4 d. Neither the insured nor any other person appearing to have an  
5 interest in the policy within the preceding two years, according to the  
6 records of the company, has assigned, readjusted, or paid premiums on  
7 the policy, subjected the policy to a loan, corresponded in writing with  
8 the company concerning the policy, or otherwise indicated an interest  
9 as evidenced by a contemporaneous memorandum or other record on  
10 file prepared by an employee of the company.

11 (cf: R.S.46:30B-24)

12

13 20. (New section) Property distributable by insurance company.  
14 Property distributable in the course of demutualization or related  
15 reorganization of an insurance company which remains unclaimed is  
16 deemed abandoned three years after the earlier of:

17 the date of the distribution of the property; or

18 the date of last contact with a policyholder.

19

20 21. R.S.46:30B-31 is amended to read as follows:

21 46:30B-31. Presumption of abandonment. [Except as provided in  
22 R.S.46:30B-32 and R.S.46:30B-35, stock or other intangible  
23 ownership interest in a business association, the existence of which is  
24 evidenced by records available to the association, is presumed  
25 abandoned and, with respect to the interest, the association is the  
26 holder, if a dividend, distribution, or other sum payable as a result of  
27 the interest has remained unclaimed by the owner for seven years and  
28 the owner within seven years has not:

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

32 b. Otherwise communicated with the association regarding the  
33 interest or a dividend, distribution, or other sum payable as a result of  
34 the interest, as evidenced by a memorandum or other record on file  
35 with the association prepared by an employee of the association]  
36 Stock or other interest in a business association, including a debt  
37 obligation other than a bearer bond or original issue discount bond, is  
38 presumed abandoned:

39 three years after the earliest of the date of an unrepresented  
40 instrument issued to pay interest or a dividend or other cash  
41 distribution, or the date of issue of an undelivered stock certificate  
42 issued as a stock dividend, split, or other distribution; or

43 if a dividend or other distribution has not been paid on the stock or  
44 other interest for three consecutive years, or the stock or other interest  
45 is held pursuant to a plan that provides for the automatic reinvestment  
46 of dividends or other distributions, three years after the date of the

1 second mailing of a statement of account or other notification or  
2 communication that was returned as undeliverable, or after the holder  
3 discontinued mailings to the apparent owner, whichever is earlier.

4 (cf: R.S.46:30B-31)

5

6 22. R.S.46:30B-32 is amended to read as follows:

7 46:30B-32. Presumption of abandonment for failure to claim  
8 dividend or distribution. At the expiration of a [seven-year] three  
9 year period following the failure of the owner to claim a dividend,  
10 distribution, or other sum payable to the owner as a result of the  
11 interest, the interest is not presumed abandoned unless there have been  
12 at least [seven] three dividends, distributions, or other sums paid  
13 during the period, none of which has been claimed by the owner. If  
14 [seven] three dividends, distributions, or other sums are paid during  
15 the [seven-year] three-year period, the period leading to a  
16 presumption of abandonment commences on the date payment of the  
17 first unclaimed dividend, distribution, or other sum became due and  
18 payable. If [seven] three dividends, distributions, or other sums are  
19 not paid during the presumptive period, the period continues to run  
20 until there have been [seven] three dividends, distributions, or other  
21 sums that have not been claimed by the owner.

22 (cf: R.S.46:30B-32)

23

24 23. R.S.46:30B-33 is amended to read as follows:

25 46:30B-33. When period of abandonment ceases. The running of  
26 the [seven-year] three year period of abandonment ceases immediately  
27 upon the occurrence of a communication referred to in R.S.46:30B-31.  
28 If any future dividend, distribution, or other sum payable to the owner  
29 as a result of the interest is subsequently not claimed by the owner, a  
30 new period of abandonment commences and relates back to the time  
31 a subsequent dividend, distribution, or other sum became due and  
32 payable.

33 (cf: R.S.46:30B-33)

34

35 24. R.S.46:30B-34 is amended to read as follows:

36 46:30B-34. Items presumed abandoned when interest presumed  
37 abandoned. At the time an interest is presumed abandoned under [this  
38 article, any dividend, distribution, or other sum then held for or owing  
39 to the owner] chapter 30B of Title 46 of the Revised Statutes, any  
40 other property right accrued or accruing to the owners as a result of  
41 the interest, and not previously presumed abandoned, is presumed  
42 abandoned.

43 (cf: R.S.46:30B-34)

44

45 25. R.S.46:30B-35 is amended to read as follows:

1 46:30B-35. Stock or other intangible interests excluded; exception.  
2 This chapter does not apply to any stock or other [intangible]  
3 ownership interest enrolled in a plan that provides for the automatic  
4 reinvestment of dividends, distributions, or other sums payable as a  
5 result of the interest unless the records available to the administrator  
6 of the plan show, with respect to any [intangible] ownership interest  
7 not enrolled in the reinvestment plan, that the owner has not within  
8 [seven] three years communicated in any manner described in  
9 R.S.46:30B-31

10 (cf: R.S.46:30B-35)

11

12 26. R.S.46:30B-36 is amended to read as follows:

13 46:30B-36. Presumption of abandonment. [Intangible property]  
14 Property distributable in the course of a dissolution of a business  
15 association which remains unclaimed by the owner for more than one  
16 year after the date specified for final distribution is presumed  
17 abandoned.

18 (cf: R.S.46:30B-36)

19

20 27. R.S.46:30B-37 is amended to read as follows:

21 46:30B-37. Presumption of abandonment. [Intangible property]  
22 Property and any income or increment derived therefrom held in a  
23 fiduciary capacity for the benefit of another person is presumed  
24 abandoned unless the owner, within [five] three years after it has  
25 become payable or distributable, has increased or decreased the  
26 principal, accepted payment of principal or income, communicated  
27 concerning the property, or otherwise indicated an interest as  
28 evidenced by a contemporaneous memorandum or other record on file  
29 prepared by the fiduciary.

30 (cf: R.S.46:30B-37)

31

32 28. R.S.46:30B-37.1 is amended to read as follows:

33 46:30B-37.1 Presumption of abandonment: unclaimed estate  
34 assets. Except as otherwise provided in this section, property held by  
35 a fiduciary as defined in N.J.S.3B:1-1 or an assignee under  
36 N.J.S.2A:19-1 et seq. and remaining unclaimed for 90 days after the  
37 account of that fiduciary or assignee is judicially allowed by the courts  
38 or settled informally is presumed abandoned. Unclaimed property held  
39 by a fiduciary of an intestate estate payable to the unknown heirs of an  
40 intestate decedent shall be presumed abandoned 90 days after  
41 publication by the fiduciary of the notice required in N.J.S.3B:5-5.

42 (cf: P.L.1995, c.152, s.2)

43

44 29. (New section) Debt of business association. The debt of a  
45 business association, other than bearer bonds or an original issue  
46 discount bond, is presumed abandoned three years after the date of the



1 earliest interest payment unclaimed by the apparent owner.

2

3 30. R.S.46:30B-38 is amended to read as follows:

4 46:30B-38. Funds in retirement account or plan. [Funds in an  
5 individual retirement account or a retirement plan for self-employed  
6 individuals or similar account or plan established pursuant to the  
7 Internal Revenue laws of the United States are not payable or  
8 distributable within the meaning of R.S.46:30B-37 unless, under the  
9 terms of the account or plan, distribution of all or part of the funds  
10 would then be mandatory] Property in an individual retirement  
11 account, defined benefit plan, or other account or plan that is qualified  
12 for tax deferral under the income tax laws of the United States  
13 becomes abandoned three years after the earliest of the date of the  
14 distribution or attempted distribution of the property, the date of the  
15 required distribution as stated in the plan or trust agreement governing  
16 the plan, or the date, if determinable by the holder, specified in the  
17 income tax laws of the United States by which distribution of the  
18 property must begin in order to avoid a tax penalty.

19 (cf: R.S.46:30B-38)

20

21 31. (New section) Funds in non-traditional individual retirement  
22 account or plan. Property in individual retirement accounts for which  
23 no distribution is required under the income tax laws of the United  
24 States becomes abandoned three years after the date of the second  
25 mailing of a statement of account or other notification or  
26 communication that was returned as undeliverable, or after the holder  
27 discontinued mailings to the apparent owner, whichever is earlier.

28

29 32. R.S.46:30B-41 is amended to read as follows:

30 46:30B-41. Presumption of abandonment: Superior Court and  
31 surrogate. [Intangible property] Property deposited or paid into the  
32 Superior Court or to the surrogate of any county in this State to the  
33 credit of a specific cause or account under the provisions of any law,  
34 order, rule, judgment, or decree and remaining unclaimed for a period  
35 of 10 years, shall be presumed abandoned.

36 (cf: R.S.46:30B-41)

37

38 33. R.S.46:30B-41.1 is amended to read as follows:

39 46:30B-41.1. Presumption of abandonment: minor's funds.  
40 [Intangible property] Property deposited or paid into the Superior  
41 Court or to the surrogate of any county of this State for the benefit of  
42 a person who is a minor at the time of the deposit and remaining  
43 unclaimed by that person for two years after that person reaches  
44 majority is presumed abandoned.

45 (cf: R.S.46:30B-41.1)

1 34. R.S.46:30B-41.2 is amended to read as follows:

2 46:30B-41.2. Presumption of abandonment: governmental entity.  
3 Except as otherwise provided in this article, any [intangible] property  
4 [held by] where the obligor is the executive, legislative, or judicial  
5 branch of the United States Government, or a state, or a county or  
6 municipal subdivision of a state, or any of their authorities, agencies,  
7 instrumentalities, administrations, services or other organizations, and  
8 remaining unclaimed for more than one year after it became payable or  
9 distributable is presumed abandoned.

10 (cf: R.S.46:30B-41.2)

11

12 35. (New section) Presumption of abandonment; class actions.  
13 Property received by a court as proceeds of a class action and not  
14 distributed pursuant to the judgment is presumed abandoned one year  
15 after the distribution date.

16

17 36. R.S.46:30B-42 is amended to read as follows:

18 46:30B-42. Presumption of abandonment. [A credit memo issued  
19 in the ordinary course of an issuer's business which remains unclaimed  
20 by the owner for more than five years after becoming payable or  
21 distributable is presumed abandoned] A credit balance, customer  
22 overpayment, security deposit, refund, credit memorandum, unused  
23 ticket, or similar instrument that occurs or is issued in the ordinary  
24 course of business which remains unclaimed by the owner for more  
25 than three years after becoming payable or distributable is presumed  
26 abandoned.

27 (cf: R.S.46:30B-42)

28

29 37. R.S.46:30B-43 is amended to read as follows:

30 46:30B-43. Amounts presumed abandoned. In the case of [a]  
31 credit [memo] balances, customer overpayments, security deposits,  
32 refunds, credit memoranda, unused tickets, or similar instruments, the  
33 amount presumed abandoned is the amount credited to the recipient  
34 [of the memo].

35 (cf: R.S.46:30B-43)

36

37 38. (New section) Limitation on holder's power to impose  
38 charges. A holder may not deduct from the amount of any instrument  
39 subject to R.S.46:30B-43 any charge imposed by reason of the failure  
40 to present the instrument for payment unless there is a valid and  
41 enforceable written contract between the issuer and owner of the  
42 instrument pursuant to which the issuer may impose a charge and the  
43 issuer regularly imposes the charges and does not regularly reverse or  
44 otherwise cancel them. The amount of the deduction shall be limited  
45 to an amount that is not unconscionable.

1 39. R.S.46:30B-47 is amended to read as follows:

2 46:30B-47. Form and contents of report. The report shall be  
3 verified and shall include:

4 a. Except with respect to travelers checks and money orders, the  
5 name, if known, and last known address, if any, of each person  
6 appearing from the records of the holder to be the owner of property  
7 of the value of ~~[\$25.00]~~ \$50 or more presumed abandoned under this  
8 chapter. Dividends, interest and mineral proceeds that accrue shall not  
9 be aggregated and shall be reported separately;

10 b. In the case of unclaimed funds of ~~[\$25.00]~~ \$50 or more held or  
11 owing under any life or endowment insurance policy or annuity  
12 contract, the full name and last known address of the insured or  
13 annuitant and of the beneficiary according to the records of the  
14 insurance company holding or owing the funds;

15 c. In the case of the contents of a safe deposit box or other  
16 safekeeping repository or of other tangible property, a description of  
17 the property, its estimated value and the place where it is held and may  
18 be inspected by the administrator and any amounts owing to the  
19 holder;

20 d. The nature and identifying number, if any, or description of the  
21 property and the amount appearing from the records to be due, but  
22 items of value under ~~[\$25.00]~~ \$50 each may be reported in the  
23 aggregate;

24 e. The date the property became payable, demandable, or  
25 returnable, and the date of the last transaction with the apparent owner  
26 with respect to the property;

27 f. The Social Security account number or federal identification  
28 number, if available, of each person appearing to be the owner of the  
29 reported unclaimed property; and

30 g. Other information the administrator prescribes by rule as  
31 necessary for the administration of this chapter.

32 (cf: R.S.46:30B-47)

33

34 40. R.S.46:30B-49 is amended to read as follows:

35 46:30B-49. Time to file report; postponement. The report shall be  
36 filed before November 1 of each year as of the preceding June 30, but  
37 the report of any life insurance company shall be filed before May 1 of  
38 each year as of the preceding December 31. [On written request by  
39 any person required to file a report, the administrator may postpone  
40 the reporting date.]

41 Before the date for filing the report, the holder of property  
42 presumed abandoned may request of the administrator an extension of  
43 the time for filing the report. The administrator may grant the  
44 extension for good cause. The holder, upon receipt of the extension,  
45 shall make an interim payment on the amount the holder estimates will  
46 ultimately be due, which terminates the accrual of additional interest

1 on the estimated amount paid.

2 (cf: R.S.46:30B-49)

3

4 41. R.S.46:30B-50 is amended to read as follows:

5 46:30B-50. Notice to apparent owner. Not more than 120 days  
6 nor less than 60 days before filing the report required by this article,  
7 the holder in possession of property presumed abandoned and subject  
8 to custody as unclaimed property under this chapter shall send written  
9 notice to the apparent owner at ~~[his]~~ the last known address informing  
10 ~~[him]~~ the owner that the holder is in possession of property subject to  
11 this chapter if:

12 a. The holder has in its records an address for the apparent owner  
13 which the holder's records do not disclose to be inaccurate;

14 b. The claim of the apparent owner is not barred by the statute of  
15 limitations; and

16 c. The property has a value of \$50.00 or more.

17 (cf: R.S.46:30B-50)

18

19 42. R.S.46:30B-51 is amended to read as follows:

20 46:30B-51. Publication of notice by administrator. The  
21 administrator shall cause a notice to be published not later than  
22 [March 1] November 30 of the year next following the year in which  
23 abandoned property has been paid or delivered to the administrator, or  
24 in the case of property reported by life insurance companies,  
25 September 1, of the year in which abandoned property has been paid  
26 or delivered to the administrator immediately following the report  
27 required by Article 17 of this chapter at least once a week for two  
28 consecutive weeks in a newspaper of general circulation in the county  
29 of this State in which is located the last known address of any person  
30 to be named in the notice. If ~~[no address is listed or]~~ the address is  
31 outside this State, the notice shall be published in the county in which  
32 the holder of the property has its principal place of business within this  
33 State.

34 The administrator is not required to advertise the name and address  
35 or location of an owner of property having a total value of less than  
36 \$100.

37 (cf: R.S.46:30B-51)

38

39 43. R.S.46:30B-52 is amended to read as follows:

40 46:30B-52. Form and contents of notice to be published. The  
41 published notice shall contain:

42 a. The names in alphabetical order and last known addresses, if  
43 any, of persons listed in the report and entitled to notice within the  
44 county as specified in R.S.46:30B-51;

45 b. A statement that information concerning the unclaimed property  
46 may be obtained by any person having ~~[an]~~ legal or beneficial interest

1 in that property by making a written inquiry to the administrator; and  
2 c. A statement explaining that property of the owner is presumed  
3 to be abandoned and has been taken into the protective custody of the  
4 administrator.

5 (cf: R.S.46:30B-52)

6

7 44. R.S.46:30B-53 is amended to read as follows:

8 46:30B-53. Items which need not be included in published notice.  
9 The administrator is not required to publish in the notice any items of  
10 less than ~~[\$50.00]~~ \$100 unless the administrator considers their  
11 publication to be in the public interest.

12 (cf: R.S.46:30B-53)

13

14 45. R.S.46:30B-57 is amended to read as follows:

15 46:30B-57. Payment or delivery with report. At the time of the  
16 filing of the report as established by R.S.46:30B-49, a holder shall pay  
17 or deliver to the administrator all of the unclaimed property set forth  
18 in its report and all accretions thereon, except for the property  
19 provided for in R.S.46:30B-58.

20 Tangible property held in a safe deposit box or other safekeeping  
21 depository shall not be delivered to the administrator until 120 days  
22 after filing the report required by R.S.46:30B-47.

23 The administrator may decline to receive property reported under  
24 this chapter which the administrator considers to have value less than  
25 the expenses of notice and sale.

26 (cf: R.S.46:30B-57)

27

28 46. R.S.46:30B-60.1 is amended to read as follows:

29 46:30B-60.1. Transfer of ownership after delivery with report.  
30 When a certificate or other evidence of ownership, or a bond or other  
31 debt security, registered in the name of a person is delivered to the  
32 administrator pursuant to any provision of this chapter and is  
33 presented by the administrator to the issuer thereof or its agent, the  
34 issuer shall transfer and register it in the name of "Treasurer, State of  
35 New Jersey," and a new certificate or security, so registered, shall be  
36 delivered to the administrator. The issuer and its transfer agent,  
37 registrar, or other person acting on behalf of the issuer in executing  
38 and delivering the certificate or security shall be fully and  
39 automatically relieved from any liability to any person for any loss or  
40 damage caused by the transfer, issuance, and delivery of the certificate  
41 or security to the administrator.

42 A record of the issuance of a check, draft, or similar instrument is  
43 prima facie evidence of an obligation. In claiming property from a  
44 holder who is also the issuer, the administrator's burden of proof as to  
45 the existence and amount of the property and its abandonment is  
46 satisfied by showing issuance of the instrument and passage of the

1 requisite period of abandonment. Defenses of payment, satisfaction,  
2 discharge, and want of consideration are affirmative defenses that shall  
3 be established by the holder.

4 If the property reported to the administrator is a security or security  
5 entitlement under Subchapter 8 of the Uniform Commercial Code-  
6 Investment Securities, N.J.S.12A:8-101 et seq., the administrator is  
7 an appropriate person to make an endorsement, instruction, or  
8 entitlement order on behalf of the apparent owner to invoke the duty  
9 of the issuer or its transfer agent or the securities intermediary to  
10 transfer or dispose of the security or the security entitlement in  
11 accordance with Subchapter 8 of the Uniform Commercial Code-  
12 Investment Securities.

13 If the holder of the property reported to the administrator is the  
14 issuer of a certified security, the administrator has the right to obtain  
15 a replacement certificate pursuant to N.J.S.12A:8-405 of the Uniform  
16 Commercial Code-Investment Securities, but an indemnity bond is not  
17 required.

18 An issuer, the holder, any transfer agent or other person acting  
19 pursuant to the instructions of and on behalf of the issuer or holder in  
20 accordance with this section is not liable to the apparent owner and  
21 shall be indemnified against claims of any person in accordance with  
22 R.S.46:30B-65.

23 (cf: R.S.46:30B-60.1)

24  
25 47. R.S.46:30B-65 is amended to read as follows:

26 46:30B-65. Defending and indemnifying holder against claims for  
27 property paid or delivered. If the holder pays or delivers property to  
28 the administrator in good faith and thereafter another person claims  
29 the property from the holder or another state claims the money or  
30 property under its laws relating to escheat or abandoned or unclaimed  
31 property, the administrator, upon written notice of the claim, shall  
32 defend the holder against the claim and indemnify the holder against  
33 any liability on the claim to the extent of the property paid or delivered  
34 to the administrator on behalf of the apparent owner.

35 (cf: R.S.46:30B-65)

36  
37 48. R.S.46:30B-72 is amended to read as follows:

38 46:30B-72. Securities to be held **[three years]** one year before  
39 sale; rights of claimant if securities sold before or after end of  
40 **[three-year]** one year period. Unless the administrator considers it to  
41 be in the best interest of the State to do otherwise, all securities  
42 presumed abandoned under Article 10 of this chapter and delivered to  
43 the administrator shall be held for **[at least three years]** one year  
44 before **[he]** the administrator may sell them. If the administrator sells  
45 any securities delivered pursuant to Article 10 of this chapter before  
46 the expiration of the **[three-year]** one year period, any person making

1 a claim pursuant to this chapter before the end of the [three-year] one  
2 year period is entitled to either the proceeds of the sale of the  
3 securities or the market value of the securities at the time the claim is  
4 made, whichever amount is greater, less any deduction for fees  
5 pursuant to R.S.46:30B-75. If the value of the securities is less than  
6 the cost of re-registration, then the owner shall have the option to pay  
7 the re-registration fee and receive the security or be paid the present  
8 value of the security. A person making a claim under this chapter after  
9 the expiration of this period is entitled to receive either the securities  
10 delivered to the administrator by the holder, if they still remain in the  
11 hands of the administrator, or the proceeds received from sale, less any  
12 amounts deducted pursuant to R.S.46:30B-75, but no person has any  
13 claim under this chapter against the State, the holder, any transfer  
14 agent, registrar, or other person acting for or on behalf of a holder for  
15 any appreciation in the value of the property occurring after delivery  
16 by the holder to the administrator.

17 (cf: R.S.46:30B-72)

18

19 49. R.S.46:30B-76 is amended to read as follows:

20 46:30B-76. Record to be maintained by administrator. Before  
21 making any deposit of funds as provided in R.S.46:30B-74, the  
22 administrator shall record the name and last known address of each  
23 person appearing from the holder's reports to be entitled to the  
24 property [and the name and last known address of each insured person  
25 or annuitant and beneficiary and with respect to each policy or  
26 contract listed in the report of an insurance company, its number, the  
27 name of the company, and the amount due]. However, the  
28 administrator shall not include in this record any information deemed  
29 confidential under R.S.46:30B-76.1. The record of the name and last  
30 known address only shall be available for the public inspection at all  
31 reasonable business hours.

32 (cf: R.S.46:30B-76)

33

34 50. R.S.46:30B-76.1 is amended to read as follows:

35 46:30B-76.1. Confidentiality of certain records. Any record or  
36 information [that] other than name and address is deemed confidential  
37 [under any New Jersey or federal law when in possession of a person  
38 shall continue to be confidential] when revealed or delivered to the  
39 administrator and shall not be considered a public record under section  
40 2 of P.L.1963, c.73 (C.47:1A-2). [Any record or information that is  
41 deemed confidential under any law of another state when in the  
42 possession of that other state shall continue to be confidential when  
43 revealed or delivered by that other state to the administrator and shall  
44 not be considered a public record under section 2 of P.L.1963, c.73  
45 (C.47:1A-2).]

46 (cf: R.S.46:30B-76.1)

1 51. R.S.46:30B-76.2 is amended to read as follows:

2 46:30B-76.2. Disclosure of confidential information. Confidential  
3 information concerning any aspect of unclaimed property shall be  
4 disclosed only to an apparent owner or an administrator or official of  
5 another state for escheat or unclaimed or abandoned property, if that  
6 other state accords substantially reciprocal privileges to the  
7 administrator.

8 Documents and working papers may be:

9 used by the administrator in the course of an action to collect  
10 unclaimed property or otherwise enforce chapter 30B of Title 46 of  
11 the Revised Statutes;

12 used in joint examinations conducted with or pursuant to an  
13 agreement with another state, the federal government, or any other  
14 governmental subdivision, agency, or instrumentality;

15 produced pursuant to subpoena or court order; or

16 disclosed to the abandoned property office of another state for that  
17 state's use in circumstances equivalent to those described in this  
18 section, if the state is bound to keep the documents and papers  
19 confidential.

20 (cf: R.S.46:30B-76.2)

21

22 52. R.S.46:30B-77 is amended to read as follows

23 46:30B-77. Filing claim; another state excluded. a. A person,  
24 excluding another state, claiming an interest in any property paid or  
25 delivered to the administrator may file with [him] the administrator a  
26 claim on a form prescribed by [him] the administrator and verified by  
27 the claimant.

28 b. The administrator shall allow the claim of persons asserting  
29 entitlement as heirs to the property of an intestate decedent paid or  
30 delivered to the administrator pursuant to N.J.S.3B:5-5 only upon  
31 receipt of (1) substantial credible evidence of heirship, (2) satisfactory  
32 evidence that a diligent investigation to locate all heirs of the decedent  
33 has been concluded, (3) the names, last known addresses, and a  
34 description of the relationships of all of the heirs of the decedent  
35 discovered as a result of that investigation, or otherwise, and (4) a  
36 release and refunding bond or other instrument satisfactory to the  
37 administrator, providing the administrator and the State with full  
38 indemnity for claims by other heirs of the decedent. The administrator  
39 shall make payment or delivery as otherwise provided in this article to  
40 the heirs in shares as prescribed in N.J.S.3B:5-3 through  
41 N.J.S.3B:5-14.

42 If the holder has filed an inaccurate or incomplete report and an  
43 owner makes a claim for the return of the property and the  
44 administrator is unable to determine if the property was reported or  
45 delivered, then the holder shall either file an amended accurate and  
46 complete report within 120 days of notice by the administrator or



1 directly pay the owner and thereafter make a claim for reimbursement  
2 in accordance with R.S.46:30B-62. It shall be the holder's burden to  
3 establish that the owner's property was delivered with the original  
4 report.

5 (cf: P.L.1995, c.152, s.4)

6  
7 53. R.S.46:30B-78 is amended to read as follows:

8 46:30B-78. Time to consider claim; notice of denial. The  
9 administrator shall consider each claim within [90] 120 days after it  
10 is filed or, in the case of a claim of a person asserting an entitlement  
11 as an heir to the property of an intestate decedent, within [90] 120  
12 days of the claimant's submission of the matters (1) through (4)  
13 required in subsection b. of R.S.46:30B-77, and give written notice to  
14 the claimant if the claim is denied in whole or in part. The notice may  
15 be given by mailing it to the last address, if any, stated in the claim as  
16 the address to which notices are to be sent. If an address for notices  
17 is not stated in the claim, the notice may be mailed to the last address,  
18 if any, of the claimant as stated in the claim. A notice of denial need  
19 not be given if the claim fails to state either the last address to which  
20 notices are to be sent or the address of the claimant.

21 (cf: P.L.1995, c.152, s.5)

22  
23 54. R.S.46:30B-79 is amended to read as follows:

24 46:30B-79. Payment of claim. If a claim is allowed, the  
25 administrator shall pay over or deliver to the claimant the property or  
26 the amount the administrator actually received or the net proceeds if  
27 it has been sold by the administrator, together with any additional  
28 amount required by Article 21 of this chapter. If the claim is for  
29 property presumed abandoned under Article 10 of this chapter which  
30 was sold by the administrator within [three years] one year after the  
31 date of delivery, the amount payable for that claim is [the value of the  
32 property at the time the claim was made or] the net proceeds of sale  
33 [, whichever is greater]. At the time a claim is allowed, the  
34 administrator shall pay to the claimant interest upon the monies of the  
35 claimant for the period during which those monies were in the custody  
36 of the administrator, but interest shall not be payable for any period  
37 before the effective date of this chapter. The rate of interest shall be  
38 periodically fixed by the administrator.

39 (cf: R.S.46:30B-79)

40  
41 55. R.S.46:30B-81 is amended to read as follows:

42 46:30B-81. Grounds for recovery of property by another state. [At  
43 any time after] After property has been paid or delivered to the  
44 administrator under this chapter, another state may recover the  
45 property if:

- 1 a. The property was [subjected] paid or delivered to the custody  
2 [by] of this State because the records of the holder did not reflect  
3 [the] a last known [address] location of the apparent owner [when  
4 the property was presumed abandoned under this chapter,] within the  
5 borders of the other state and the other state establishes that the [last  
6 known address of the] apparent owner or other person entitled to the  
7 property [in] was last known to be located within the borders of that  
8 state and under the laws of that state the property has escheated [to]  
9 or [was] become subject to a claim of abandonment by that state;
- 10 b. The [last known address of the apparent owner or other person  
11 entitled to the property, as reflected by the records of the holder, is in  
12 the other state] property was paid or delivered to the custody of this  
13 State because the laws of the other state did not provide for the  
14 escheat or custodial taking of the property and under the laws of that  
15 state subsequently enacted the property has escheated to or become  
16 subject to a claim of abandonment by that state;
- 17 c. The records of the holder were erroneous in that they did not  
18 accurately [reflect] identify the [actual] owner of the property and  
19 the last known [address] location of the [actual] owner [is in] within  
20 the [other] borders of another state and under the laws of that state  
21 the property has escheated [to] or [was] become subject to a claim  
22 of abandonment by that state;
- 23 d. The property was subjected to custody by this State under  
24 [subsection f. of R.S.46:30B-10] R.S.46:30B-1 et seq. and under the  
25 laws of the state of domicile of the holder of the property has  
26 escheated [to] or become subject to a claim of abandonment by that  
27 state; or
- 28 e. The property is the sum payable on a travelers check, money  
29 order, or [other] similar instrument that was [subject to custody by  
30 this State under Article 4 of this chapter, and the instrument was]  
31 purchased in the other state and delivered into the custody of this state  
32 under R.S.46:30B-14, and under the laws of that state the property has  
33 escheated [to] or [became] become subject to a claim of  
34 abandonment by that state.  
35 (cf: R.S.46:30B-81)

36

37 56. S.46:30B-82 is amended to read as follows:

38 430B-82. Form of claim; allowance. The claim of another state to  
39 recover escheated or abandoned property shall be presented in a form  
40 prescribed by the administrator, who shall decide the claim within  
41 [90] 120 days after it is presented. The administrator shall allow the  
42 claim if [he] the administrator determines that the other state is  
43 entitled to the abandoned property under R.S.46:30B-81.

44 (cf: R.S.46:30B-82)

1 57. R.S.46:30B-89 is amended to read as follows:

2 46:30B-89. Time within which administrator may bring action  
3 against holder. An action or proceeding may not be commenced by  
4 the administrator [with respect to any duty of a holder under this  
5 chapter more than 10 years after the duty arose] to enforce chapter  
6 30B of Title 46 of the Revised Statutes in regard to the reporting,  
7 delivery, or payment of property more than ten years after the holder  
8 specifically identified the property in a report filed with the  
9 administrator or gave express notice to the administrator of a dispute  
10 regarding the property. In the absence of such a report or other  
11 express notice, the period of limitation is tolled. The period of  
12 limitation is also tolled by the filing of a report that is fraudulent.  
13 (cf: R.S.46:30B-89)

14

15 58. R.S.46:30B-90 is amended to read as follows

16 46:30B-90. Administrator may require filing of reports. The  
17 administrator may require any person who has not filed a report [to  
18 file a verified report stating whether or not the person is holding any  
19 unclaimed property reportable or deliverable under this chapter] , or  
20 a person who the administrator believes has filed an inaccurate,  
21 incomplete, or false report, to file a verified report in a form specified  
22 by the administrator. The report shall state whether the person is  
23 holding property reportable under chapter 30B of Title 46 of the  
24 Revised Statutes, describe property not previously reported or as to  
25 which the administrator has made inquiry, and specifically identify and  
26 state the amounts of property that may be in issue.  
27 (cf: R.S.46:30B-90)

28

29 59. R.S.46:30B-91 is amended to read as follows:

30 46:30B-91. Examination of records by administrator; generally.  
31 The administrator, at reasonable times and upon reasonable notice,  
32 may examine the records of any person to determine whether the  
33 person has complied with the provisions of this chapter. The  
34 administrator may conduct the examination even if the person believes  
35 it is not in possession of any property reportable or deliverable under  
36 this chapter. The administrator may contract with any other person to  
37 conduct the examination on behalf of the administrator.

38 (cf: R.S.46:30B-91)

39

40 60. R.S.46:30B-92 is amended to read as follows:

41 46:30B-92. Examination of records by administrator; agents and  
42 fiduciaries for business association. If a person is treated under Article  
43 12 of this chapter as the holder of the property only insofar as the  
44 interest of a business association in the property is concerned, the  
45 administrator, pursuant to R.S.46:30B-91, may examine the records  
46 of the person if the administrator has given the notice required by

1 R.S.46:30B-91 to both the person and the business association at least  
2 90 days before the examination.

3 The administrator at reasonable times may examine the records of  
4 an agent, including a dividend disbursing agent or transfer agent, of a  
5 business association that is the holder of property presumed  
6 abandoned if the administrator has given notice to both the association  
7 and the agent at least 90 days before the examination.

8 (cf: R.S.46:30B-92)

9

10 61. R.S.46:30B-93 is amended to read as follows:

11 46:30B-93. Assessment of costs for examination. If an  
12 examination of the records of a person results in the disclosure of  
13 property reportable and deliverable under this chapter, the  
14 administrator may assess the cost of the examination against the holder  
15 at the rate of ~~[\$100.00 a day]~~ \$50 per hour for each examiner, but in  
16 no case may the charges exceed the value of the property found to be  
17 reportable and deliverable. The cost of examination made pursuant to  
18 R.S.46:30B-93 may be imposed only against the business association.

19 (cf: R.S.46:30B-93)

20

21 62. R.S.46:30B-94 is amended to read as follows:

22 46:30B-94. Assessing estimated costs for examination when  
23 records are insufficient. [If a holder fails after the effective date of  
24 this chapter to maintain the records required by Article 31 of this  
25 chapter, and the records of the holder available for the periods subject  
26 to this chapter are insufficient to permit the preparation of a report,  
27 the administrator may require the holder to report and pay those  
28 amounts as may reasonably be estimated from any available records.]

29 If, after the effective date of P.L. , c. (now pending before the  
30 Legislature as this bill), a holder does not maintain the records  
31 required by R.S.46:30B-95 and the records of the holder available for  
32 the periods subject to this chapter are insufficient to permit the  
33 preparation of a report, the administrator may require the holder to  
34 report and pay to the administrator the amount the administrator  
35 reasonably estimates, on the basis of any available records of the  
36 holder, or by any other reasonable means of estimation acceptable to  
37 the administrator, that should have been but was not reported.

38 In the event property was delivered to the administrator based upon  
39 an estimate or statistical method, the holder shall be required to  
40 indemnify the administrator for any amounts claimed by owners in  
41 excess of the estimated amount remitted.

42 (cf: R.S.46:30B-94)

43

44 63. R.S.46:30B-95 is amended to read as follows:

45 46:30B-95. Maintaining records; generally. Every holder required  
46 to file a report under Article 17 of this chapter, as to any property for

1 which it has obtained the last known address of the owner, shall  
2 maintain a record of the name and last known address of the owner for  
3 five years after [the property becomes reportable] the holder files the  
4 report, except to the extent that a shorter time is provided in  
5 R.S.46:30B-96 or by rule of the administrator.

6 (cf: P.L.1997, c.33, s.17)

7

8 64. R.S.46:30B-96 is amended to read as follows:

9 46:30B-96. Maintaining records; travelers checks, money orders,  
10 etc. Any business association that sells in this State its travelers  
11 checks, money orders, or other similar written instruments, other than  
12 third-party bank checks on which the business association is directly  
13 liable, or that provides those instruments to others for sale in this  
14 State, shall maintain a record of those instruments while they remain  
15 outstanding, indicating the state and date of issue for three years after  
16 the date the [property is reportable] holder files the report.

17 (cf: R.S.46:30B-96)

18

19 65. R.S.46:30B-98 is amended to read as follows:

20 46:30B-98. Interstate agreements. The administrator may enter  
21 into agreements with other states to exchange information relating to  
22 abandoned property or its possible existence needed to enable this or  
23 another state to audit or otherwise determine unclaimed property that  
24 it or another state may be entitled to subject to a claim of custody.  
25 The agreement may permit the other state, or another person acting on  
26 behalf of a state, to examine records as authorized by R.S.46:30B-1 et  
27 seq. The administrator by rule may require the reporting of  
28 information needed to enable compliance with agreements made  
29 pursuant to this section and prescribe the form.

30 (cf: R.S.46:30B-98)

31

32 66. R.S.46:30B-104 is amended to read as follows:

33 46:30B-104. Penalty for [willful] failure to render report or  
34 perform other duties. [A person who willfully fails to render any  
35 report or perform other duties required under this chapter shall pay a  
36 civil penalty of \$100.00 for each day the report is withheld or the duty  
37 is not performed.] Except as otherwise provided in R.S.46:30B-105  
38 or 46:30B-105.1, a holder who fails to report, pay or deliver property  
39 within the time prescribed by chapter 30B of Title 46 of the Revised  
40 Statutes, or fails to perform other duties imposed by that chapter, shall  
41 pay to the administrator, in addition to the interest as provided in  
42 R.S.46:30B-103, a civil penalty of \$200 for each day the report,  
43 payment, or delivery is withheld, or the duty is not performed, up to  
44 a maximum of \$100,000.

45 (cf: R.S.46:30B-104)

1 67. R.S.46:30B-105 is amended to read as follows  
2 46:30B-105. Penalty for willful failure to report, pay or deliver  
3 property. [A person who willfully fails to pay or deliver property to  
4 the administrator as required under this chapter shall pay a civil  
5 penalty equal to 25% of the value of the property that should have  
6 been paid or delivered. ] A holder who willfully fails to report, pay,  
7 or deliver property within the time prescribed by chapter 30B of Title  
8 46 of the Revised Statutes, shall pay to the administrator, in addition  
9 to the interest provided in R.S.46:30B-103, a penalty of \$1,000 for  
10 each day the report, payment, or delivery is withheld, or the duty is  
11 not performed, up to a maximum of \$250,000, plus 25% of the value  
12 of any property that should have been but was not reported.

13 For the purpose of this section, a willful failure to report includes  
14 the filing of a report which is plainly inaccurate, incomplete, or out of  
15 balance and the same is not corrected by the holder within six months  
16 after its original due date.

17 (cf: R.S.46:30B-105)

18

19 68. R.S.46:30B-105.1 is amended to read as follows

20 46:30B-105.1. [Waiver of penalty and interest. The administrator  
21 shall have discretion to waive the payment of penalties and interest or  
22 to reduce the amount of the interest in an appropriate circumstance.]  
23 Penalty for fraudulent report. A holder who makes a fraudulent report  
24 shall pay to the administrator, in addition to interest as provided in  
25 R.S.46:30B-103, a civil penalty of \$1,000 for each day the report,  
26 payment or delivery is withheld, or the duty is not performed, up to a  
27 maximum of \$250,000, plus 25% of the value of any property that  
28 should have been but was not reported.

29 (cf: R.S.46:30B-105.1)

30

31 69. (New section) Waiver of penalty and interest. The  
32 administrator shall have discretion to waive the payment of penalties  
33 and interest or to reduce the amount of the interest in an appropriate  
34 circumstance.

35

36 70. This act shall take effect immediately .

37

38

39

#### STATEMENT

40

41 This bill amends the Uniform Unclaimed Property Act of 1989. It  
42 reduces the time that private financial organizations and business  
43 associations may hold unclaimed properties before transferring them  
44 to the State. This would align New Jersey's unclaimed property law  
45 with that of most other states. New Jersey is currently the only State  
46 in the nation with a ten-year dormancy period for checking and savings

1 accounts. Most states require a five-year dormancy period while a  
2 number of states recently amended their laws to require a three-year  
3 dormancy period. For other properties, New Jersey's dormancy period  
4 is longer than that required by most of the other states.

5 This bill also clarifies and expands the types of properties that are  
6 to be transferred to the state after the formancy period has passed.  
7 Several of these properties are already transferred to the State but are  
8 not clearly defined in the Unclaimed Property Act. Other properties,  
9 such as non-traditional IRAs, have been included in practice but are  
10 not specifically enumerated because they did not exist at the time the  
11 act was last amended. As such, the bill brings the statute in line with  
12 unclaimed property practice.

13 The bill makes additional changes to the Unclaimed Property Act  
14 as follows:

15  
16 C Clarifies the definition of "holder," so that it is consistent with  
17 the definition recently articulated by the New Jersey Supreme  
18 Court.

19  
20 C Establishes that a record of the issuance of a check, draft or  
21 similar instrument is prima facie evendence of an obligation and  
22 this, coupled with the passage of the requisite dormancy  
23 period, creates a presumption of abandonment. It further  
24 provides that the holder has the burden of proving that the  
25 property was not abandoned.

26  
27 C Imposes a prohibition on "escheat fees" that are charged by  
28 financial organizations and business associations at the time  
29 they transfer properties to the State or for the administration  
30 of a dormant account.

31  
32 C Amends the advertising requirement such that only properties  
33 valued at more than \$100 will be advertised. The Division of  
34 Taxation currently advertises the properties valued at more  
35 than \$50 on it website and will continue to do so.

36  
37 C Clarifies that only the name and address of the property owner  
38 is public information while account balances and numbers are  
39 confidential and not subject to public release. This amendment  
40 would protect the owners of the property and align the with an  
41 executive order that deemed all information about unclaimed  
42 property to be confidential.

43  
44 C Increases the penalties for willful failure to report, pay or  
45 deliver property or otherwise comply with the terms of the  
46 Unclaimed Property Act.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### **SENATE, No. 1557**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 6, 2002

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 1557.

This bill amends the Uniform Unclaimed Property Act by shortening to three years the length of time (the "dormancy period") that private financial organizations and business associations may hold most types of property, absent contact with the owner, before the property is deemed abandoned, and custody transferred to the State.

In general, this revision of the dormancy period aligns New Jersey's escheatment law with the laws of most other states. New Jersey is currently the only state in the nation with a 10-year dormancy period for checking and savings accounts. Most states have a five-year dormancy period for such accounts; a number have three-year periods. For other property as well, New Jersey's dormancy period is longer than that established in most states. The changes in dormancy period for particular types of property can be summarized as follows (section references are to the bill as amended):

From 10 years to three years:

- Ⓒ Demand, savings and time deposits (including certificates of deposit) and funds advanced toward the purchase of shares in a mutual fund (Sec. 15).

From seven years to three years:

- Ⓒ Money order (Sec. 11);
- Ⓒ Stock or other interest in a business association on which dividends or other distributions are paid (Sec. 21).

From five years to three years:

- Ⓒ Property interests generally (Sec.4);
- Ⓒ Bank check or draft, cashier's check, certified check (Sec. 13);
- Ⓒ Proceeds of a life insurance policy or annuity (Sec. 18);
- Ⓒ Property held by a fiduciary (Sec. 26);
- Ⓒ Right to the return of funds under a credit memorandum, credit balance, security deposit, etc. (Sec. 35).

The revision in dormancy periods for an interest of any particular type is automatically applicable to any property right (e.g., payment of a stock dividend or bond interest) arising as a result of the underlying interest, N.J.S.A.46:30B-34 (amended by Sec. 24).



The bill also extends the scope of the escheatment statute to types of property not covered under current law:

- ⊆ Property distributable to policyholders by an insurance company pursuant to its demutualization (Sec. 20);
- ⊆ Non-dividend-paying securities (Sec. 21);
- ⊆ Bond or other debt of a business association paying periodic interest (Sec. 28);
- ⊆ Non-traditional individual retirement accounts ("IRAs"), i.e., those for which no distribution is required under federal tax law (Sec. 30).

The bill also clarifies the type of property that is to be transferred to the State after the dormancy period has fully elapsed:

- ⊆ Shares in a dividend reinvestment plan ("DRIP") (Sec. 21);
- ⊆ Mutual fund shares (Sec. 21).

Some property in these categories is already being transferred to the State, but is not clearly covered by the Unclaimed Property Act.

The bill makes additional changes to the Act, as follows:

- < Revises the definition of "holder" to be consistent with the definition recently set forth by the New Jersey Supreme Court (Sec. 3g);
- < Provides that a record of the issuance of a check, draft or similar instrument is prima facie evidence of an obligation; coupled with the elapse of the dormancy period, this creates a presumption of abandonment. The bill provides that the holder has the burden of proving payment, discharge, or other defenses (Secs. 9 and 45);
- < Establishes or extends limitations on fees charged by a holder to administer a dormant account or pay a financial instrument that is presented late for payment (Secs. 6, 12, 14, 16 and 37);
- < Allows the State administrator of abandoned property to omit, from public notice of the administrator's receipt of such property, property valued at less than \$100 (Secs. 41 and 43). The Division of Taxation currently advertises property valued at more than \$50 on its website and will continue to do so;
- < Clarifies that in State records of escheated property, only the name and address of the apparent owner is public information, while account balances and numbers are confidential and not subject to public release (Secs. 48 and 49); and
- < Increases the penalties for willful failure to report, pay or deliver property or otherwise comply with the terms of the Unclaimed Property Act (Secs. 65 through 67).

#### COMMITTEE AMENDMENTS

Committee amendments to this bill: (1) repeal R.S.46:30B-35, which limits coverage under the escheatment law of stock or other ownership interest enrolled in an automatic dividend reinvestment plan to cases in which plan records indicate that the owner has not communicated during the dormancy period with respect to interests not enrolled in the reinvestment plan. Under N.J.S.A.46:30B-31, as

amended by Sec. 21 of the substitute bill, escheatment of interests in a DRIP will be tied to inability to deliver to the holder statements for the DRIP account itself, rather than to communications related to the source holding for the reinvested income; (2) eliminate a provision of the rule governing escheatment of unclaimed dividends as inconsistent with other provisions of the escheatment law; (3) delete superfluous references to both tangible and intangible property appearing in provisions wherein no distinction is made between the two; and (4) incorporate various technical changes and editorial revisions.

#### FISCAL IMPACT

The Governor's proposed budget (Schedule I) anticipates that in FY2003, some \$255 million will be transferred from the Unclaimed Personal Property Trust Fund to the General Fund. According to testimony before the committee by the Division of Taxation in the Department of the Treasury, some \$200 million to \$220 million of this projected revenue is attributable to the anticipated enactment of this bill.

The legislation is expected to be effective beginning in FY2003. The provisions reducing the dormancy period for property already subject to the unclaimed property statute are expected to yield considerable revenue in that fiscal year, when ownership inactivity over a period of time that is one or more years short of abandonment under current law will suddenly acquire that status by operation of the legislation. This revenue will not recur in subsequent fiscal years.

Additional receipts will be generated by the provisions that extend the scope of the escheatment law to new types of property and clarify the application of the law to categories already acknowledged by some fiduciaries (but not all) to be covered. Just as with the "reduced dormancy" categories, substantial revenue will be realized in FY2003 from these types of property, with multiple years' worth of unclaimed property newly subject to escheat. For these categories, however, the added revenue will recur in years after FY2003, albeit at much reduced levels.

(1) The Division of Taxation projects that the reduction of the various dormancy periods to a uniform three years will raise FY2003 revenue from property categories already covered by the unclaimed property law from about \$90 million to an estimated \$309 million, an increase of \$219 million. The increase was calculated by (i) determining, for the five-year period 1996-2000, the average annual amount of escheated property in the three categories (10-year, seven-year and five-year) for which the dormancy period is reduced under the bill, and then (ii) multiplying those separate average amounts times the number of years by which the relevant dormancy period under current law exceeds the proposed uniform period of three years (i.e., by the factors seven, four and two, respectively).

(2) The division projects FY2003 revenue from the "new" and "clarified" categories of covered property as follows: sums payable on

demutualization - \$50 million; non-dividend-paying securities - \$5 million; corporate debt paying periodic interest - \$4 million; shares held through a DRIP - \$7 million; shares in a mutual fund - \$6 million; total - \$72 million.

The cumulative total of these estimated increases for FY2003 is \$291 million. N.J.S.A.46:30B-74 provides that 75% of all funds escheated to the State and deposited into the Unclaimed Personal Property Trust Fund shall be transferred to the General Fund, unless the administrator of unclaimed property deems it prudent to do otherwise. Under the 75% standard, the total amount of new revenue available in FY2003 for transfer to the General Fund would be roughly \$219 million. Escheatment revenue for FY2002 under current law is projected at \$90 million. (It was over \$100 million in both FY2000 and FY2001, but may be expected to decline with the general deterioration in security values recently experienced.) If it is assumed that a like amount would be realized in FY2003 without a change in the law, then revenue for the fiscal year under the law as revised by the bill would support the \$255 million transfer from the Trust Fund to the General Fund anticipated in the proposed FY2003 budget.

The Division of Taxation indicates that in FY2004 and thereafter, the recurring revenue increases under the bill are expected to be in the range of \$10 million.

STATEMENT TO

[First Reprint]

**SENATE, No. 1557**

with Senate Floor Amendments  
(Proposed By Senator ADLER)

ADOPTED: JUNE 20, 2002

These floor amendments to this bill, which clarifies and expands the categories of property that may escheat to the State and reduces the "dormancy" period over which inactive property ownership ripens into legal abandonment, would (1) restore the seven-year dormancy period applicable to money orders, and (2) require that the notice given by a holder to an apparent owner that the holder is in possession of the owner's property be made by certified mail, return receipt requested.

**FISCAL NOTE**  
**SENATE, No. 1557**  
**STATE OF NEW JERSEY**  
**210th LEGISLATURE**

DATED: JULY 3, 2002

**SUMMARY**

**Synopsis:** Clarifies and expands categories of property which may escheat to State; reduces time for unclaimed property to escheat to State.

**Type of Impact:** Revenue gain; Unclaimed Personal Property Trust Fund.

**Agencies Affected:** Department of the Treasury.

**Executive Estimate**

| <b>Fiscal Impact</b> | <b>FY 2003</b> | <b>FY 2004</b> | <b>FY 2005</b> |
|----------------------|----------------|----------------|----------------|
| <b>State Revenue</b> | \$209,000,000  | \$0            | \$0            |

- ! The Office of Legislative Services (OLS) **concurs** with the Executive estimate.
- ! Reduces the amount of time before unclaimed property escheats to the State and expands and redefines the categories of property which may escheat to the State.
- ! OLS notes that this is a one time revenue increase of approximately \$209 million.

**BILL DESCRIPTION**

Senate Bill No. 1557 of 2002 amends the “Uniform Unclaimed Property Act of 1989” by reducing abandonment periods for unclaimed properties before such properties may be transferred to the State.

This bill also expands the types of properties that may be transferred to the State, such as non-traditional IRAs, which have been included in practice but are not specifically enumerated. It also adds mineral rights and mineral proceeds as property that may escheat to the State.

This bill places the burden of proof on the apparent owner of property that such property was not abandoned and prohibits holders of presumed abandoned property from imposing escheat fees.

**FISCAL ANALYSIS*****EXECUTIVE BRANCH***

The Department of the Treasury estimates \$209 million in additional revenue in FY 2003 from the changes in the abandonment period that must run prior to escheat, and redefinition and addition of certain properties. The department estimated total FY 2003 escheat revenues at \$294 million. Of this amount, \$209 million would be additional revenue raised as a result of enactment of this legislation with the remaining \$85 million collected under the provisions of current law.

***OFFICE OF LEGISLATIVE SERVICES***

The Office of Legislative Services (OLS) concurs with the Executive estimate. OLS notes that by accelerating collections to the Unclaimed Personal Property Trust Fund the State would realize a one time revenue increase of approximately \$209 million, to \$294 million. In FY 2004 and FY 2005, OLS estimates that escheat revenue collections will return to the average annual collection rate of approximately \$85 million.

Section: *State Government*

Analyst: *James F. Vari*  
*Associate Fiscal Analyst*

Approved: *Alan R. Kooney*  
*Legislative Budget and Finance Officer*

This fiscal note has been prepared pursuant to P.L.1980, c.67.