

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

D

HOUSE DRH50176-LT-36* (3/8)

Short Title: Reduce Holding Period for Unclaimed Property.-AB (Public)

Sponsors: Representative Holliman.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO REDUCE THE HOLDING PERIOD FOR CERTAIN UNCLAIMED
PROPERTY HELD AS STOCK OR OTHER EQUITY INTERESTS IN A
BUSINESS ASSOCIATION, INCLUDING CASH DISTRIBUTIONS OF A
DEMUTUALIZED INSURANCE COMPANY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 116B-53(c) reads as rewritten:

"(c) Property is presumed abandoned if it is unclaimed by the apparent owner during the time set forth below for the particular property:

- (1) Traveler's check, 15 years after ~~issuance~~; issuance.
- (2) Time deposit, including a deposit that is automatically renewable, 10 years after the later of initial maturity or the date of the last indication by the owner of interest in the ~~property~~; property.
- (3) Money order, cashier's check, teller's check, and certified check, seven years after ~~issuance~~; issuance.
- (4) Stock or other equity interest in a business association, including a security entitlement under Article 8 of the Uniform Commercial Code, Chapter 25 of the General Statutes, ~~five~~ three years after the earlier of:
 - a. The date of a cash dividend or other cash distribution unclaimed by the apparent owner, or
 - b. The date a second consecutive mailing, notification, or communication from the holder to the apparent owner is returned to the holder as unclaimed by or undeliverable to the apparent ~~owner~~; owner.

For purposes of distributions of a demutualized insurance company under this subdivision, the date of demutualization or reorganization shall be the date of the order of demutualization or reorganization that

1 is rendered by the Department of Insurance and from which no further
2 appeal can be taken or for which the time for noting an appeal has
3 expired. Property, subject to the requirements of this subdivision, shall
4 include only the property described in the order of demutualization or
5 reorganization that is rendered by the Department of Insurance and
6 from which no further appeal can be taken or for which the time for
7 noting an appeal has expired.

- 8 (5) Debt of a business association, ~~other than a~~ including debt evidenced
9 by a matured or called bearer bond or an original issue discount bond,
10 five~~three~~ years after the date of an interest or principal payment
11 unclaimed by the apparent ~~owner;~~ owner.
- 12 (6) Demand or savings deposit, five years after the date of the last
13 indication by the owner of interest in the ~~property;~~ property.
- 14 (7) Money or credits owed to a customer as a result of a retail business
15 transaction, three years after the obligation ~~accrued;~~ accrued.
- 16 (8) Any gift certificate or electronic gift card bearing an expiration date
17 and remaining unredeemed or dormant for more than three years after
18 the gift certificate or electronic gift card was sold is deemed
19 abandoned. The amount abandoned is deemed to be sixty percent
20 (60%) of the unredeemed portion of the face value of the gift
21 certificate or the electronic gift ~~card;~~ card.
- 22 (9) Amount owed by an insurer on a life or endowment insurance policy
23 or an annuity that has matured or terminated, three years after the
24 obligation to pay arose or, in the case of a policy or annuity payable
25 upon proof of death, three years after the insured has attained, or
26 would have attained if living, the limiting age under the mortality table
27 on which the reserve is ~~based;~~ based.
- 28 (10) Property distributable by a business association in a course of
29 dissolution, one year after the property becomes ~~distributable;~~
30 distributable.
- 31 (11) Property received by a court as proceeds of a class action, and not
32 distributed pursuant to the judgment, one year after the distribution
33 ~~date;~~ date.
- 34 (12) Property held by a court, government, governmental subdivision,
35 agency, or instrumentality, one year after the property becomes
36 ~~distributable;~~ distributable.
- 37 (13) Wages or other compensation for personal services, two years after the
38 compensation becomes ~~payable;~~ payable.
- 39 (14) Deposit or refund owed to a subscriber by a utility, one year after the
40 deposit or refund becomes ~~payable;~~ payable.
- 41 (15) Property in an individual retirement account, defined benefit plan, or
42 other account or plan that is qualified for tax deferral under the income
43 tax laws of the United States, three years after the earliest of the date
44 of the distribution or attempted distribution of the property, the date of

1 the required distribution as stated in the plan or trust agreement
2 governing the plan, or the date, if determinable by the holder, specified
3 in the income tax laws of the United States by which distribution of the
4 property must begin in order to avoid a tax ~~penalty~~; and penalty.
5 (16) All other property, five years after the owner's right to demand the
6 property or after the obligation to pay or distribute the property arises,
7 whichever first occurs."

8 **SECTION 2.** This act becomes effective October 1, 2005.