

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 672*
Committee Substitute Favorable 5/4/05

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

Sponsors:

Referred to:

March 17, 2005

1 A BILL TO BE ENTITLED
2 AN ACT TO REDUCE THE HOLDING PERIOD FOR CERTAIN UNCLAIMED
3 PROPERTY HELD AS STOCK OR OTHER EQUITY INTERESTS IN A
4 BUSINESS ASSOCIATION, INCLUDING CASH DISTRIBUTIONS OF A
5 DEMUTUALIZED INSURANCE COMPANY.

6 The General Assembly of North Carolina enacts:

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

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

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

27 For purposes of distributions of a demutualized insurance company
28 under this subdivision, the date of demutualization or reorganization
29 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 This subdivision applies to both the underlying stock, share, or
9 other intangible ownership interest of an owner, and any stock, share,
10 or other intangible interest of which the business association is in
11 possession of the certificate or other evidence or indicia of ownership,
12 and to the stock, share, or other ownership interest of dividend and
13 nondividend paying business associations whether or not the interest is
14 represented by a certificate.

15 (5) Debt of a business association, ~~other than a~~ including debt evidenced
16 by a matured or called bearer bond or an original issue discount bond,
17 ~~five~~three years after the date of an interest or principal payment
18 unclaimed by the apparent ~~owner~~; owner.

19 (5a) Any dividend, profit, distribution, interest, redemption, payment on
20 principal, cash compensation (including amounts from a demutualized
21 insurance company), or other sum held or owing by a business
22 association for or to its shareholder, certificate holder, policy holder,
23 member, bondholder, or other security holder, who has not claimed it,
24 or corresponded in writing with the business association concerning it,
25 within three years after the date prescribed for payment or delivery.

26 (6) Demand or savings deposit, five years after the date of the last
27 indication by the owner of interest in the ~~property~~; property.

28 (7) Money or credits owed to a customer as a result of a retail business
29 transaction, three years after the obligation ~~accrued~~; accrued.

30 (8) Any gift certificate or electronic gift card bearing an expiration date
31 and remaining unredeemed or dormant for more than three years after
32 the gift certificate or electronic gift card was sold is deemed
33 abandoned. The amount abandoned is deemed to be sixty percent
34 (60%) of the unredeemed portion of the face value of the gift
35 certificate or the electronic gift ~~card~~; card.

36 (9) Amount owed by an insurer on a life or endowment insurance policy
37 or an annuity that has matured or terminated, three years after the
38 obligation to pay arose or, in the case of a policy or annuity payable
39 upon proof of death, three years after the insured has attained, or
40 would have attained if living, the limiting age under the mortality table
41 on which the reserve is ~~based~~; based.

42 (10) Property distributable by a business association in a course of
43 dissolution, one year after the property becomes ~~distributable~~;
44 distributable.

- 1 (11) Property received by a court as proceeds of a class action, and not
2 distributed pursuant to the judgment, one year after the distribution
3 ~~date; date.~~
4 (12) Property held by a court, government, governmental subdivision,
5 agency, or instrumentality, one year after the property becomes
6 ~~distributable; distributable.~~
7 (13) Wages or other compensation for personal services, two years after the
8 compensation becomes ~~payable; payable.~~
9 (14) Deposit or refund owed to a subscriber by a utility, one year after the
10 deposit or refund becomes ~~payable; payable.~~
11 (15) Property in an individual retirement account, defined benefit plan, or
12 other account or plan that is qualified for tax deferral under the income
13 tax laws of the United States, three years after the earliest of the date
14 of the distribution or attempted distribution of the property, the date of
15 the required distribution as stated in the plan or trust agreement
16 governing the plan, or the date, if determinable by the holder, specified
17 in the income tax laws of the United States by which distribution of the
18 property must begin in order to avoid a tax ~~penalty; and penalty.~~
19 (16) All other property, five years after the owner's right to demand the
20 property or after the obligation to pay or distribute the property arises,
21 whichever first occurs."

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