

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

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**SENATE BILL 621\***

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

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Sponsors: Senator Dorsett.

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Referred to: Commerce.

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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~~; owner.

25 For purposes of distributions of a demutualized insurance company  
26 under this subdivision, the date of demutualization or reorganization  
27 shall be the date of the order of demutualization or reorganization that  
28 is rendered by the Department of Insurance and from which no further  
29 appeal can be taken or for which the time for noting an appeal has

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

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

1                   in the income tax laws of the United States by which distribution of the  
2                   property must begin in order to avoid a tax ~~penalty; and~~ penalty.

3           (16) All other property, five years after the owner's right to demand the  
4           property or after the obligation to pay or distribute the property arises,  
5           whichever first occurs."

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