

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 83rd General Assembly
3 Regular Session, 2001
4

A Bill

Act 793 of 2001
HOUSE BILL 1943

5 By: Representative Files
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For An Act To Be Entitled

9 AN ACT TO AMEND THE UNCLAIMED PROPERTY ACT; AND FOR
10 OTHER PURPOSES.

Subtitle

11 AN ACT TO AMEND THE PRESUMPTION OF
12 ABANDONMENT OF ACCOUNTS AND CERTIFICATES
13 OF DEPOSIT ISSUED BY FINANCIAL
14 ORGANIZATIONS.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code 18-28-202(a) is amended to read as follows:

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

- 24 (1) traveler's check, fifteen (15) years after issuance;
25 (2) money order, seven (7) years after issuance;
26 (3) stock or other equity interest in a business association or
27 financial organization, including a security entitlement under § 4-8-101 et
28 seq. (UCC - Investment Securities), five (5) years after the earlier of (i)
29 the date of the most recent dividend, stock split, or other distribution
30 unclaimed by the apparent owner, or (ii) the date of the second mailing of a
31 statement of account or other notification or communication that was returned
32 as undeliverable or after the holder discontinued mailings, notifications, or
33 communications to the apparent owner;
34 (4) debt of a business association or financial organization,
35 other than a bearer bond or an original issue discount bond, five (5) years
36 after the date of the most recent interest payment unclaimed by the apparent

1 owner;

2 (5) a demand, savings, or time deposit, including a deposit that
3 is automatically renewable, five (5) years after the earlier of maturity or
4 the date of the last indication by the owner of interest in the property; but
5 a deposit that is automatically renewable ~~is~~ shall not be deemed matured for
6 purposes of this section upon its initial date of maturity, unless the most
7 recent correspondence from the financial organization to the owner has
8 ~~consented to a renewal at or about the time of the renewal and the consent is~~
9 ~~in writing or is evidenced by a memorandum or other record on file with the~~
10 ~~holder~~ been returned unclaimed or undelivered to the financial organization
11 by the postal service;

12 (6) money or credits owed to a customer as a result of a retail
13 business transaction, three (3) years after the obligation accrued;

14 (7) amount owed by an insurer on a life or endowment insurance
15 policy or an annuity that has matured or terminated, three (3) years after
16 the obligation to pay arose or, in the case of a policy or annuity payable
17 upon proof of death, three (3) years after the insured has attained, or would
18 have attained if living, the limiting age under the mortality table on which
19 the reserve is based;

20 (8) property distributable by a business association or
21 financial organization in a course of dissolution, one (1) year after the
22 property becomes distributable;

23 (9) property received by a court as proceeds of a class action,
24 and not distributed pursuant to the judgment, one (1) year after the
25 distribution date;

26 (10) property held by a court, government, governmental
27 subdivision, agency, or instrumentality, one (1) year after the property
28 becomes distributable;

29 (11) wages or other compensation for personal services, one (1)
30 year after the compensation becomes payable;

31 (12) deposit or refund owed to a subscriber by a utility, one
32 (1) year after the deposit or refund becomes payable;

33 (13) property in an individual retirement account, defined
34 benefit plan, or other account or plan that is qualified for tax deferral
35 under the income tax laws of the United States, three (3) years after the
36 earliest of the date of the distribution or attempted distribution of the

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

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9 SECTION 2. Arkansas Code 18-28-202(d) is amended to read as follows:

10 (d) An indication of an owner's interest in property includes:

11 (i) the presentment of a check or other instrument of payment of
 12 a dividend or other distribution made with respect to an account or
 13 underlying stock or other interest in a business association or financial
 14 organization or, in the case of a distribution made by electronic or similar
 15 means, evidence that the distribution has been received;

16 (ii) owner-directed activity in the account in which the
 17 property is held, including a direction by the owner to increase, decrease,
 18 or change the amount or type of property held in the account;

19 (iii) the making of a deposit to or withdrawal from a bank
 20 account; ~~and~~

21 (iv) correspondence from the financial organization to the owner
 22 of the property by mail, which correspondence has not been returned unclaimed
 23 or undelivered to the financial organization by the postal service; and

24 ~~(iv)(v)~~ (v) the payment of a premium with respect to a property
 25 interest in an insurance policy; but the application of an automatic premium
 26 loan provision or other nonforfeiture provision contained in an insurance
 27 policy does not prevent a policy from maturing or terminating if the insured
 28 has died or the insured or the beneficiary of the policy has otherwise become
 29 entitled to the proceeds before the depletion of the cash surrender value of
 30 a policy by the application of those provisions.

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33 APPROVED: 3/14/2001