

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.

INTERIM STUDY PROPOSAL 2007-137

State of Arkansas

As Engrossed: S3/26/07

86th General Assembly

A Bill

Regular Session, 2007

SENATE BILL 818

By: Senator Madison

Referred to
Insurance & Commerce - Senate
by the Arkansas Senate
on 03/30/2007

For An Act To Be Entitled

AN ACT TO INCLUDE GIFT CERTIFICATES, STORE GIFT CARDS, AND GENERAL USE PREPAID CARDS UNDER THE UNCLAIMED PROPERTY ACT; TO CREATE A MISCELLANEOUS FUND FOR UNCLAIMED GIFT CERTIFICATES, UNCLAIMED STORE GIFT CARDS, AND UNCLAIMED GENERAL USE PREPAID CARDS; AND FOR OTHER PURPOSES.

Subtitle

TO PROVIDE FOR A MISCELLANEOUS FUND FOR UNCLAIMED GIFT CERTIFICATES, UNCLAIMED STORE GIFT CARDS, OR UNCLAIMED GENERAL USE PREPAID CARDS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 18-28-201(13), concerning the definition of "property", is amended to read as follows:

(13)(A) "Property" means tangible property described in § 18-28-203 or a fixed and certain interest in intangible property that is held, issued, or owed in the course of a holder's business, or by a government, governmental subdivision, agency, or instrumentality, and all income or increments therefrom. The term includes property that is referred to as or

1 evidenced by:

2 (i) money, a check, draft, deposit, interest, or
3 dividend;

4 (ii) credit balance, customer's overpayment,
5 security deposit, refund, credit memorandum, unpaid wage, unused ticket, gift
6 certificate, store gift card, or general use prepaid card, mineral proceeds,
7 or unidentified remittance;

8 (iii) stock or other evidence of ownership of an
9 interest in a business association or financial organization;

10 (iv) a bond, debenture, note, or other evidence of
11 indebtedness;

12 (v) money deposited to redeem stocks, bonds,
13 coupons, or other securities or to make distributions;

14 (vi) an amount due and payable under the terms of an
15 annuity or insurance policy, including policies providing life insurance,
16 property and casualty insurance, workers' compensation insurance, or health
17 and disability insurance; and

18 (vii) an amount distributable from a trust or
19 custodial fund established under a plan to provide health, welfare, pension,
20 vacation, severance, retirement, death, stock purchase, profit sharing,
21 employee savings, supplemental unemployment insurance, or similar benefits.

22 (B) "Property" does not include ~~gift certificates, gift~~
23 ~~cards,~~ in-store merchandise credits, or layaway accounts issued or maintained
24 by any person in the business of selling tangible personal property at retail
25 and such items shall not be subject to this subchapter.

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27 SECTION 2. Arkansas Code § 18-28-202(a), concerning presumptions of
28 abandonment, is amended to add an additional subdivision to read as follows:

29 (14) all other property, five (5) years after the owner's right
30 to demand the property or after the obligation to pay or distribute the
31 property arises, whichever first occurs; ~~and~~

32 (15) unclaimed property payable or distributable in the course
33 of a demutualization of an insurance company five (5) years after the earlier
34 of:

35 (A) the date of last contact with the policy holder; or

36 (B) the date the property became payable or distributable;

1 and

2 (16) a gift certificate, a store gift card, or a general use
 3 prepaid card, unused for a period of two (2) years.

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5 SECTION 3. Arkansas Code § 18-28-213(a), concerning the deposit of
 6 unclaimed property funds, is amended to read as follows:

7 (a)(1) Except for those funds received from gift certificates, store
 8 gift cards, or general use prepaid cards, ~~All~~ all funds received under this
 9 subchapter, including the proceeds from the sale of abandoned property, shall
 10 be deposited by the administrator in a special trust fund to be known as the
 11 "Unclaimed Property Proceeds Trust Fund", from which he shall make prompt
 12 payment of claims duly allowed by him as hereinafter provided. Such funds
 13 shall be deposited in accounts in one (1) or more financial institutions
 14 authorized to do business in this state to be administered in accordance with
 15 the laws of this state pertaining to the appropriation, administration, and
 16 expenditure of cash funds. Before making the deposit, he shall record the
 17 name and last known address of each person appearing from the holder's
 18 reports to be entitled to the abandoned property, and the name and last known
 19 address of each insured or annuitant, and, with respect to each policy or
 20 contract listed in the report of a life insurance corporation, its number,
 21 the name of the corporation, and the amount due. The record shall be
 22 available for public inspection at all reasonable business hours.

23 (2) The administrator shall deposit funds received from gift
 24 certificates, store gift cards, or general use prepaid cards into the Child
 25 Maltreatment Fund.

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27 SECTION 4. Arkansas Code Title 19, Chapter 5, Subchapter 12 is amended
 28 to add an additional section to read as follows:

29 19-5-1230. Child Maltreatment Fund.

30 (a) There is created on the books of the Treasurer of State, the
 31 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
 32 fund to be known as the "Child Maltreatment Fund".

33 (b)(1) All moneys collected from an unclaimed gift certificate,
 34 unclaimed store gift card, or an unclaimed general use prepaid card under §
 35 18-28-213 shall be deposited by the Auditor of State into the State Treasury
 36 to the credit of the fund as miscellaneous revenues.

1 (2) The fund shall also consist of any other revenues as may be
2 authorized by law.

3 (c) The fund shall be used by the Division of Children and Family
4 Services of the Department of Health and Human Services for the operation and
5 improvement of services for maltreated children.

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/s/ Madison

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