

State of Arkansas
76th General Assembly
Regular Session, 1987
By: Senator Beebe

SENATE BILL 496

"AN ACT TO AMEND VARIOUS SECTIONS OF THE UNIFORM UNCLAIMED
PROPERTY ACT; AND FOR OTHER PURPOSES."

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

SECTION 1. Section 1 of Act 256 of 1979, as amended, the same being Ark. Stat. 50-620, is hereby amended by adding six additional subsections at the end thereof to read as follows:

"(j) 'Intangible property' includes:

- (1) monies, checks, drafts, deposits, interest, dividends and income;
- (2) credit balances, customer overpayments, gift certificates, security deposits, refunds, credit memos, unpaid wages unused airline tickets, and unidentified remittances;
- (3) stocks and other intangible ownership interests in business associations;
- (4) monies deposited to redeem stocks, bonds, coupons, and other securities, or to make distributions;
- (5) amounts due and payable under the terms of insurance policies; and
- (6) amounts distributable from a trust or custodial fund established under a plan to provide health, welfare, pension, vacation, severance, retirement, death, stock purchase, profit sharing, employee savings, supplemental unemployment insurance, or similar benefits.

(k) All abandoned property not covered as intangible will be considered tangible.

(l) Finders are parties engaged in locating Unclaimed Property for a fee of not more than ten percent (10%) of the value of the Unclaimed Property.

(m) Gift Certificates and Credit Memos. (1) A gift certificate or a

credit memo issued in the ordinary course of the issuer's business which remains unclaimed by the owner for more than seven (7) years after becoming payable or distributable is presumed abandoned.

(2) In the case of a gift certificate, the amount presumed abandoned is the price paid by the purchaser of the gift certificate. In the case of a credit memo, the amount presumed abandoned is the amount credited to the recipient of the credit memo.

(n) Wages, Rents, and Royalties. Unpaid wages, including wages represented by un-presented payroll checks, rents, and royalties, owing in the ordinary course of the holder's business which remain unclaimed by the owner for more than seven (7) years after becoming payable are presumed abandoned.

(o) Underlying shares is a term used to describe an ownership interest in a business association, the evidence of which (generally a stock certificate) is in the possession of the missing owner."

SECTION 2. Section 5 of Act 256 of 1979, the same being Ark. Stat. 50-624, is hereby amended to read as follows:

"Section 5. Undistributed Dividends and Distributions of Business Associations. Any stock or other certificate of ownership, or any dividend, profit, distribution, interest, payment on principal, or other sum held or owing by a business association for or to a shareholder, certificate holder, bondholder, or other security holder, who has not claimed it, or corresponded in writing with the business association concerning it, within seven (7) years after the date prescribed for payment or delivery, is presumed abandoned if:

(a) It is held or owing by a business association organized under the laws of or created in this State, or

(b) it is held or owing by a business association doing business in this State, but not organized under the laws of or created in this State, and the records of the business association indicate that the last known address of the person entitled thereto is in this State.

(c) Underlying shares are presumed abandoned when the owner fails to exercise rights of ownership, including, but not limited to, cashing dividend checks or communicating with the company which issued the stock within a seven (7) year period. Underlying shares, regardless of when issued, shall hereby be considered subject to this Act."

SECTION 3. Subsection (a) of Section 12 of Act 256 of 1979, as amended, the same being Ark. Stat. 50-631(a), is hereby amended to read as follows:

"(a) Within one-hundred-twenty (120) days from the filing of the report required by Section 11, the Auditor shall cause notice to be published at least once each week for two successive weeks in a newspaper of general circulation in the county in this State in which is located the last known address of any person to be named in the notice. If no address is listed or if the address is outside this State, the notice shall be published in the county in which the holder of the abandoned property has his principal place of business within the State. After publication of the names of the rightful owners, these names will become available for inspection by the general public."

SECTION 4. Subsection (a) of Section 16 of Act 256 of 1979, as amended, the same being Ark. Stat. 50-635(a), is hereby amended to read as follows:

"(a) all abandoned property other than money delivered to the Auditor under this Act shall within three (3) years after the delivery be sold by him to the highest bidder at public sale in whatever city in the State affords in his judgment the most favorable market for the property involved. The Auditor may decline the highest bid and reoffer the property for sale if he considers the price bid insufficient. He need not offer any property for sale if, in his opinion, the probable cost of sale exceeds the value of the property."

SECTION 5. Section 17 of Act 256 of 1979, as amended, the same being Ark. Stat. 50-636, is hereby amended to read as follows:

"Section 17. Deposit of Funds. (a) All funds received under this Act, including the proceeds from the sale of abandoned property under Section 17 (this section), shall be deposited by the Auditor in a special trust fund to be known as the 'Unclaimed Property Proceeds Trust Fund', from which he shall make prompt payment of claims duly allowed by him as hereinafter provided. Before making the deposit he shall record the name and last known address of each person appearing from the holders' reports to be entitled to the abandoned property and of the name and last known address of each insured person or annuitant, and with respect to each policy or contract listed in the report of a life insurance corporation, its number, the name of the corporation, and the amount due. The record shall be available for public

inspection at all reasonable business hours.

(b) Before making any deposit to the credit of the general funds, the Auditor may deduct:

- (1) any costs in connection with sale of abandoned property,
- (2) any costs in administering and enforcing the Act,
- (3) any costs of mailing and publication in connection with sale of abandoned property,
- (4) reasonable service charges.

(c) At least once each fiscal year the Auditor shall transfer to the general revenues of the state all funds that have been collected and held for a full three years from the passage of this Act, less expenses and claims filed against said collections.

(d) Each bank depository of Unclaimed Property Funds shall secure such funds to such extent of the amount of the balance thereof at any time on hand and in such manner as the Auditor of State shall require."

SECTION 6. Section 19 of Act 256 of 1979, as amended, the same being Ark. Stat. 5-638, is hereby amended by adding two additional subsections at the end thereof to read as follows:

"(c) The Auditor shall not consider any claim filed under this Act where a finder has charged a fee of over ten percent (10%) of the total amount of the claim.

(d) The Auditor shall not consider any claim unless filed within three (3) years after the Auditor has taken possession of the unclaimed property."

SECTION 7. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 8. EMERGENCY. It is hereby found and determined by the General Assembly that passage of this Act is necessary to enable the Auditor of the State of Arkansas to fully discharge the financial obligations of the State of Arkansas concerning the Uniform Unclaimed Property Act. Therefore, an emergency is hereby declared to exist, and this Act, being necessary for the immediate preservation of the public peace, health, and safety, shall be in full force and effect from and after its passage and approval.

