

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 819

Introduced by Price, 3.

Read first time January 05, 2012

Committee: Government, Military and Veterans Affairs

A BILL

1 FOR AN ACT relating to the Uniform Disposition of Unclaimed Property
2 Act; to amend sections 69-1301, 69-1302, and 69-1329,
3 Reissue Revised Statutes of Nebraska; to provide for the
4 treatment of military medals; to harmonize provisions;
5 and to repeal the original sections.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 69-1301, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 69-1301 As used in the Uniform Disposition of Unclaimed
4 Property Act unless the context otherwise requires:

5 (a) Banking organization means any bank, trust company,
6 savings bank, industrial bank, land bank, or safe deposit company.

7 (b) Business association means any corporation, joint-
8 stock company, business trust, partnership, limited liability
9 company, or association for business purposes of two or more
10 individuals, but does not include a public corporation.

11 (c) Financial organization means any savings and loan
12 association, building and loan association, credit union, cooperative
13 bank, or investment company, doing business in this state.

14 (d) General-use prepaid card means a plastic card or
15 other electronic payment device usable with multiple, unaffiliated
16 sellers of goods or services.

17 (e) Holder means any person in possession of property
18 subject to the act belonging to another, or who is trustee in case of
19 a trust, or is indebted to another on an obligation subject to the
20 act.

21 (f) Life insurance corporation means any association or
22 corporation transacting within this state the business of insurance
23 on the lives of persons or insurance appertaining thereto, including,
24 but not limited to, endowments and annuities.

25 (g) Military medal means any decoration or award that may

1 be presented or awarded to a member of a unit of the Armed Forces or
2 National Guard.

3 ~~(g)~~(h) Owner means a depositor in case of a deposit, a
4 beneficiary in case of a trust, a creditor, claimant, or payee in
5 case of other choses in action, or any person having a legal or
6 equitable interest in property subject to the act, or his or her
7 legal representative.

8 ~~(h)~~(i) Person means any individual, business
9 association, governmental or political subdivision, public
10 corporation, public authority, estate, trust, two or more persons
11 having a joint or common interest, or any other legal or commercial
12 entity.

13 ~~(i)~~(j) Utility means any person who owns or operates
14 within this state, for public use, any plant, equipment, property,
15 franchise, or license for the transmission of communications or the
16 production, storage, transmission, sale, delivery, or furnishing of
17 electricity, water, steam, or gas.

18 Sec. 2. Section 69-1302, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 69-1302 The following property held or owing by a banking
21 or financial organization or by a business association is presumed
22 abandoned:

23 (a) Any demand, savings, or matured time deposit that is
24 not automatically renewable made in this state with a banking
25 organization, together with any interest or dividends thereon,

1 excluding any charges that may lawfully be withheld, unless the owner
2 has, within five years:

3 (1) Increased or decreased the amount of the deposit, or
4 presented the passbook or other similar evidence of the deposit for
5 the crediting of interest or dividends; or

6 (2) Corresponded in writing with the banking organization
7 concerning the deposit; or

8 (3) Otherwise indicated an interest in the deposit as
9 evidenced by a memorandum or other record on file with the banking
10 organization; or

11 (4) Owned other property to which subdivision (a)(1),
12 (2), or (3) applies and if the banking organization corresponds in
13 writing with the owner with regard to the property that would
14 otherwise be presumed abandoned under subdivision (a) of this section
15 at the address to which correspondence regarding the other property
16 regularly is sent; or

17 (5) Had another relationship with the banking
18 organization concerning which the owner has:

19 (i) Corresponded in writing with the banking
20 organization; or

21 (ii) Otherwise indicated an interest as evidenced by a
22 memorandum or other record on file with the banking organization and
23 if the banking organization corresponds in writing with the owner
24 with regard to the property that would otherwise be abandoned under
25 subdivision (a) of this section at the address to which

1 correspondence regarding the other relationship regularly is sent.

2 (b) Any funds paid in this state toward the purchase of
3 shares or other interest in a financial organization or any deposit
4 that is not automatically renewable, including a certificate of
5 indebtedness that is not automatically renewable, made therewith in
6 this state, and any interest or dividends thereon, excluding any
7 charges that may lawfully be withheld, unless the owner has within
8 five years:

9 (1) Increased or decreased the amount of the funds or
10 deposit, or presented an appropriate record for the crediting of
11 interest or dividends; or

12 (2) Corresponded in writing with the financial
13 organization concerning the funds or deposit; or

14 (3) Otherwise indicated an interest in the funds or
15 deposit as evidenced by a memorandum or other record on file with the
16 financial organization; or

17 (4) Owned other property to which subdivision (b)(1),
18 (2), or (3) applies and if the financial organization corresponds in
19 writing with the owner with regard to the property that would
20 otherwise be presumed abandoned under subdivision (b) of this section
21 at the address to which correspondence regarding the other property
22 regularly is sent; or

23 (5) Had another relationship with the financial
24 organization concerning which the owner has:

25 (i) Corresponded in writing with the financial

1 organization; or

2 (ii) Otherwise indicated an interest as evidenced by a
3 memorandum or other record on file with the financial organization
4 and if the financial organization corresponds in writing with the
5 owner with regard to the property that would otherwise be abandoned
6 under this subdivision (b) of this section at the address to which
7 correspondence regarding the other relationship regularly is sent.

8 (c) A holder may not, with respect to property described
9 in subdivision (a) or (b) of this section, impose any charges solely
10 due to dormancy or cease payment of interest solely due to dormancy
11 unless there is a written contract between the holder and the owner
12 of the property pursuant to which the holder may impose reasonable
13 charges or cease payment of interest or modify the imposition of such
14 charges and the conditions under which such payment may be ceased. A
15 holder of such property who imposes charges solely due to dormancy
16 may not increase such charges with respect to such property during
17 the period of dormancy. The contract required by this subdivision may
18 be in the form of a signature card, deposit agreement, or similar
19 agreement which contains or incorporates by reference (1) the
20 holder's schedule of charges and the conditions, if any, under which
21 the payment of interest may be ceased or (2) the holder's rules and
22 regulations setting forth the holder's schedule of charges and the
23 conditions, if any, under which the payment of interest may be
24 ceased.

25 (d)(1) Any time deposit that is automatically renewable,

1 including a certificate of indebtedness that is automatically
2 renewable, made in this state with a banking or financial
3 organization, together with any interest thereon, seven years after
4 the expiration of the initial time period or any renewal time period
5 unless the owner has, during such initial time period or renewal time
6 period:

7 (i) Increased or decreased the amount of the deposit, or
8 presented an appropriate record or other similar evidence of the
9 deposit for the crediting of interest;

10 (ii) Corresponded in writing with the banking or
11 financial organization concerning the deposit;

12 (iii) Otherwise indicated an interest in the deposit as
13 evidenced by a memorandum or other record on file with the banking or
14 financial organization;

15 (iv) Owned other property to which subdivision (d)(1)(i),
16 (ii), or (iii) of this section applies and if the banking or
17 financial organization corresponds in writing with the owner with
18 regard to the property that would otherwise be presumed abandoned
19 under subdivision (d) of this section at the address to which
20 correspondence regarding the other property regularly is sent; or

21 (v) Had another relationship with the banking or
22 financial organization concerning which the owner has:

23 (A) Corresponded in writing with the banking or financial
24 organization; or

25 (B) Otherwise indicated an interest as evidenced by a

1 memorandum or other record on file with the banking or financial
2 organization and if the banking or financial organization corresponds
3 in writing with the owner with regard to the property that would
4 otherwise be abandoned under subdivision (d) of this section at the
5 address to which correspondence regarding the other relationship
6 regularly is sent.

7 (2) If, at the time provided for delivery in section
8 69-1310, a penalty or forfeiture in the payment of interest would
9 result from the delivery of a time deposit subject to subdivision (d)
10 of this section, the time for delivery shall be extended until the
11 time when no penalty or forfeiture would result.

12 (e) Any sum payable on checks certified in this state or
13 on written instruments issued in this state on which a banking or
14 financial organization or business association is directly liable,
15 including, by way of illustration but not of limitation, certificates
16 of deposit that are not automatically renewable, drafts, money
17 orders, and traveler's checks, that, with the exception of money
18 orders and traveler's checks, has been outstanding for more than five
19 years from the date it was payable, or from the date of its issuance
20 if payable on demand, or, in the case of (i) money orders, that has
21 been outstanding for more than seven years from the date of issuance
22 and (ii) traveler's checks, that has been outstanding for more than
23 fifteen years from the date of issuance, unless the owner has within
24 five years, or within seven years in the case of money orders and
25 within fifteen years in the case of traveler's checks, corresponded

1 in writing with the banking or financial organization or business
2 association concerning it, or otherwise indicated an interest as
3 evidenced by a memorandum or other record on file with the banking or
4 financial organization or business association.

5 (f) ~~Any~~ Except for military medals, any funds or other
6 personal property, tangible or intangible, removed from a safe
7 deposit box or any other safekeeping repository or agency or
8 collateral deposit box in this state on which the lease or rental
9 period has expired due to nonpayment of rental charges or other
10 reason, or any surplus amounts arising from the sale thereof pursuant
11 to law, that have been unclaimed by the owner for more than five
12 years from the date on which the lease or rental period expired.
13 Military medals shall be reported and delivered to the State
14 Treasurer pursuant to section 3 of this act.

15 (g) For the purposes of this section failure of the
16 United States mails to return a letter, duly deposited therein,
17 first-class postage prepaid, to the last-known address of an owner of
18 tangible or intangible property shall be deemed correspondence in
19 writing and shall be sufficient to overcome the presumption of
20 abandonment created herein. A memorandum or writing on file with such
21 banking or financial organization shall be sufficient to evidence
22 such failure.

23 Sec. 3. Any military medal that is removed from a safe
24 deposit box or any other safekeeping repository or agency or
25 collateral deposit box on which the lease or rental period has

1 expired due to nonpayment of rental charges or other reasons shall
2 not be sold or otherwise disposed of, but shall be retained by the
3 holder for the lessee of the box until reported and delivered to the
4 State Treasurer in accordance with this section. The holder shall
5 report such military medal to the State Treasurer by May 1 of the
6 second calendar year following removal of the military medal from
7 such box. Such report shall be made in compliance with section
8 69-1310. The holder shall, at the time of filing the report and with
9 the report, deliver the military medal to the State Treasurer for
10 safekeeping by the State Treasurer in accordance with section 4 of
11 this act.

12 Sec. 4. The State Treasurer, upon receiving military
13 medals, shall hold and maintain the military medals until the
14 original owner or the owners' respective heirs or beneficiaries can
15 be identified and the military medal returned. The State Treasurer
16 may designate a veteran's organization or other appropriate
17 organization as the custodian of such medals until the original owner
18 or the owner's respective heirs or beneficiaries are located.

19 Sec. 5. Section 69-1329, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 69-1329 Sections 69-1301 to 69-1329 and sections 3 and 4
22 of this act shall be known and may be cited as the Uniform
23 Disposition of Unclaimed Property Act.

24 Sec. 6. Original sections 69-1301, 69-1302, and 69-1329,
25 Reissue Revised Statutes of Nebraska, are repealed.