

UNCLAIMED PROPERTY IN NEVADA



Bulletin No. 79-7

LEGISLATIVE COMMISSION
OF THE
LEGISLATIVE COUNSEL BUREAU
STATE OF NEVADA

October 1978

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Assembly Concurrent Resolution No. 34—Assemblymen Robinson and Murphy

FILE NUMBER...122.

ASSEMBLY CONCURRENT RESOLUTION—Directing the legislative commission to study the extent of unclaimed property in the state and recommend legislation to provide for disposition of such property.

WHEREAS, Thirty-three states have enacted comprehensive laws providing for the disposition of abandoned property, most of those states having enacted the Uniform Disposition of Unclaimed Property Act; and

WHEREAS, Nevada law provides for the escheat of certain unclaimed property, but it has been proposed that additional benefits would accrue to the state if the legislature were to enact a comprehensive law on the subject; and

WHEREAS, There is a need to determine the nature and extent of unclaimed property in this state before such a law is enacted in order that the recommended legislation can first be adapted to the actual circumstances which exist in this state; now, therefore, be it

Resolved by the Assembly of the State of Nevada, the Senate concurring, That the legislative commission is hereby directed to conduct a study to ascertain the nature and extent of unclaimed property in this state, to determine the amount of money which the state would additionally derive if changes were made in the existing statutes or a comprehensive law on disposition of abandoned property were enacted, and to develop any needed legislation adapted to the facts found to exist in this state; and be it further

Resolved, That the legislative commission report the results of the study and any recommended legislation to the 60th session of the legislature.

REPORT OF THE LEGISLATIVE COMMISSION

To the Members of the 60th Session of the Nevada Legislature:

This report is submitted in compliance with Assembly Concurrent Resolution No. 34 of the 59th session of the Nevada legislature, which directs the legislative commission to conduct a study of unclaimed property in this state and to recommend any appropriate legislation to the 60th session of the Nevada legislature.

The legislative commission appointed the following subcommittee to make the study:

Assemblyman Robert E. Robinson, chairman, Assemblyman Peggy B. Westall, vice chairman, Senator Norman D. Glaser, Assemblyman Lawrence E. Jacobsen and Assemblyman Paul W. May.

The legislative commission approves the subcommittee's report with its suggested legislation and transmits the report to the members of the 1979 legislature for their consideration and appropriate action.

Respectfully submitted,

Legislative Commission
of the State of Nevada

Carson City, Nevada
October 1978

* * * * *

LEGISLATIVE COMMISSION

Assemblyman Donald R. Mello, Chairman
Assemblyman Paul W. May, Vice Chairman

Senator Keith Ashworth
Senator Richard H. Bryan
Senator Margie Foote
Senator James I. Gibson
Senator Norman Ty Hilbrecht
Senator William J. Raggio

Assemblyman Eileen B. Brookman
Assemblyman Joseph E. Dini, Jr.
Assemblyman Lawrence E. Jacobsen
Assemblyman Robert E. Robinson

REPORT OF THE SUBCOMMITTEE FOR STUDY OF UNCLAIMED PROPERTY

I. THE INTERIM STUDY IN GENERAL

1. Meetings held.

The subcommittee held 1-day hearings in the Reno City Council Chamber in Reno, Nevada, on November 18, 1977, and in the Las Vegas Convention Center in Las Vegas, Nevada, on March 3, 1978. The hearings provided an opportunity for the general public and persons in businesses which might be affected to express their ideas about possible legislation concerning unclaimed property.

The subcommittee held an additional meeting in the Legislative Building in Carson City, Nevada, on March 3, 1978. This meeting was open for public discussion but its major focus was upon specific provisions to be incorporated in a bill for recommendation to the legislative commission.

2. Nevada law described.

Nevada law does not deal comprehensively with unclaimed property, although it contains several sections providing for the disposition of particular kinds of unclaimed property.

3. Advantage of reciprocity brought out.

Nevada deputy attorney general William E. Isaeff told the subcommittee that this state often receives correspondence from holders and agencies in other states having unclaimed property belonging to owners whose last-known addresses are in this state. He explained that the property cannot be accepted by this state because it does not have the necessary enabling legislation.

4. California law considered.

Because California has had a comprehensive law on unclaimed property since 1959, the subcommittee especially wished to consider that law in its study. The subcommittee therefore sent its legal counsel on a 1-day visit to the office of the state controller (the administering authority) in Sacramento,

California, on October 7, 1977, to obtain information for the subcommittee about the administration of the law.

Later, the subcommittee invited Lawrence Gercovich and D. Robert Shuman, legal counselors for the California state controller, to attend the subcommittee's hearings in Nevada. They answered detailed questions by members of the subcommittee and interested persons concerning the legal and financial aspects of the law's administration. The counselors also discussed the degree of success achieved with the law.

5. Pertinent documents examined.

As the interim study progressed, the subcommittee examined pertinent documents on unclaimed property, which included:

1. The Uniform Disposition of Unclaimed Property Act with annotations, recommended by the National Conference of Commissioners on Uniform State Laws.
2. Nevada Assembly Bills 135, 425 and 742 of the 59th session.
3. Statutes of other states, particularly those of California, New York, Ohio, Indiana, Minnesota and Washington.

In addition, the subcommittee studied legislative bills and committee reports from other states, letters and memoranda by administrators and legal counselors who had worked with such laws, and opinions of the United States Supreme Court and state courts.

6. Objectives established.

The subcommittee initially decided that:

1. The primary objective of any law which it might develop would be to restore unclaimed property to its rightful owners.

2. The secondary objective, but still of significance, would be to allow the state to use the interest on any unrestored property while the state safeguards the principal for future restoration to the owners.

7. Need for legislation determined.

Based upon the information which the subcommittee received in its study, it concluded that Nevada has a need for a comprehensive law on disposition of unclaimed property. The subcommittee therefore decided to prepare a bill for recommendation to the legislative commission. Starting with Assembly Bill 425 of the 59th session, which was a modified version of the Uniform Disposition of Unclaimed Property Act, the subcommittee has prepared a bill which reflects the recommendations considered and decisions made during the study. (See the appendix.)

II. LEGISLATION ON UNCLAIMED PROPERTY

1. Problem described.

The problem which underlies legislation on unclaimed property is that many persons open accounts in banks, savings and loan companies, credit unions or other financial institutions and later fail to claim those accounts. Some may fail to claim insurance benefits, stock dividends, wages, utility refunds, department store credits, escrow deposits or contents of safe-deposit boxes. Others may fail to cash traveler's checks or money orders, or may fail to use airline or other transportation tickets.

Often such failures result from lack of communication among family members or between trustee and beneficiary. Occasionally such failures occur because of the owner's age or illness, movement to a new area, or unfamiliarity with business methods or the English language. In other instances the owner may not be aware that he is required to reaffirm his interest in an account. Sometimes he simply forgets his account because of preoccupation with other affairs.

Forgotten accounts may be individually large or small but in the aggregate they amount to large sums.

Holders often find that maintaining stagnant accounts is burdensome. Eventually, if the accounts remain unclaimed, they may become the holders' windfall unless another disposition is required by law.

2. Scheme of recommended bill outlined.

The subcommittee's recommended bill follows the scheme of the uniform act;

(a) Presumption of abandonment. An owner's property held by another is presumed abandoned if the owner does not claim it or otherwise show an interest in it for a prescribed period.

(b) Holder's report. Once a year the holder of any presumably abandoned property must report all the names and last-known addresses of the owners to a state administrator.

(c) State administrator's publication. During the next 6 months the holder continues to keep the reported property while the state administrator attempts to find the owners, principally by publishing notices in newspapers. An owner may discover his own name on a published list or be referred to it by someone else. An owner may recover his property from the holder until a prescribed cutoff date.

(d) Holder's transfer to state. After that date the holder must pay or deliver the remaining unrecovered property to the state administrator.

(e) State administrator's custody. The administrator deposits the property (after converting to cash where necessary) for credit to a revolving trust fund, out of which he can promptly pay any later claims made by owners. He periodically transfers the excess of the trust fund into the state general fund.

3. Periods for presumed abandonment listed.

The recommended bill prescribes periods of inactivity at the end of which the owner's property is presumed to be abandoned. The prescribed periods vary in length according to the kind of property:

	<u>Years</u>
Savings deposit with banking organization	10
Matured time deposit	10
Shares or similar interest in a financial organization	10
Checks, certificates of deposit, drafts, money orders or traveler's checks	10
Contents of safe-deposit box	7
Life insurance or endowment benefit	7
Deposit or advance held by public utility	7

Stock dividend or corporate distribution	7
Intangible property held by fiduciary	7
Intangible property held by governmental agency	7
Distribution upon dissolution of a business association or financial organization	7
Demand deposit (checking account)	5
Any other property	7

4. Subsequent liability of holder to owner relieved.

Bankers expressed concern that they might become liable to depositors for presumably abandoned accounts turned over to the state agency if the depositors should return later and claim the accounts. The executive vice president of the Nevada Bankers Association, Jordan J. Crouch, raised the broader question of how banks could avoid alienating those depositors.

The subcommittee has retained in its bill a section of the uniform act providing that:

A holder who turns over presumably abandoned property to the administering agency is relieved of any further liability.
(See subsection 2 of section 34 of the bill.)

The subcommittee has added two subsections providing that:

- (1) If the holder has paid over the property to the administering agency and the owner returns, the holder may pay the owner and obtain reimbursement from the agency.

- (2) The attorney general shall, upon request of the holder, defend him against any claim made by an owner whose property has already been presumed abandoned and turned over to the state. Moreover, the director of the agency shall indemnify the holder against any liability which he may incur as a result of the claim.

(For the respective texts, see subsections 3 and 4 of section 34 of the bill.)

5. California program described.

According to Messrs. Gercovich and Shuman in their presentation to the subcommittee, the California law on unclaimed property, has resulted in a return of approximately 40 percent of the reported property to its owners. They noted that this return has taken place after the holders have exhausted their usual methods of attempting to locate the owners. The California law requires the state controller to mail a notice to each owner and to publish a notice in each county in which is located an owner's last-known address. Publication in metropolitan daily newspapers has generated wide interest and has undoubtedly been instrumental in reaching many missing owners. (One list of names covered 32 pages and was the largest classified advertisement ever published in the United States.)

Most of the owners who will eventually be located establish their claims within 6 months after the names have been published. The number of claims diminishes as time passes, and therefore a comprehensive unclaimed property law produces an increasing accumulation of money which will probably never be claimed by its owners.

Mr. Thomas Holland, administrator of the unclaimed property division in California, estimated the California accumulation to be approximately \$80 million. His division has an index containing about 525,000 names of persons for whom money is being held. These persons may claim their money at any future time upon presenting proper evidence of their entitlement. A coding system allows the administrator to retrieve from the index the names of owners whose last-known addresses are in any selected state.

Mr. Shuman attributed continuing increases in the amounts reported in California over the years to the increase in the state's population and its increased mobility, the greater awareness of the unclaimed property law, the enforcement of the law by the state controller's office, and the shortening of the periods of inactivity after which reports are required.

6. Custody and escheat compared.

A law on unclaimed property serves a different purpose than a law on escheat. Many of the persons dealt with under an unclaimed property law are living. Even in circumstances where the original owner has died, he may have left his spouse, legatee or next of kin, who has become the owner of the unclaimed property. If so, the chain of ownership is not terminated and no basis exists for an escheat. The existing Nevada law on escheats (chapter 154 of NRS), administered by the attorney general through the court system, is unaffected by the subcommittee's bill.

7. Service charges on dormant accounts regulated.

The subcommittee received information relating to the practice by many banks of imposing charges for service on accounts because the accounts are dormant. The term "dormant" is used by banks to describe the status of an account which has become inactive and must therefore be segregated as a measure of special security.

To protect the depositor, the subcommittee has included in its bill a provision requiring a bank to mail advance notice to the depositor if the bank intends to begin imposing these charges. The provision also authorizes the director of the administering agency to prescribe by regulation the highest rate which may be charged. (See section 17 of the bill.)

8. Administering agency assigned.

The subcommittee has assigned the department of commerce to be the administering agency under the recommended bill. (See sections 7, 8 and 15 of the bill.)

Before making its assignment, the subcommittee considered assignments in 40 other states. The most frequent has been the state treasurer.

The subcommittee heard representatives of several Nevada agencies discuss the question of an appropriate assignment. Deputy state treasurer, Nadean Reed, advised the subcommittee that since the proceeds from unclaimed property would be deposited in banks through the treasurer's office, accountability would be better if the proposed law were administered by an agency other than the treasurer's office. Assistant state controller, Richard P. King, said that although the controller's office should establish the internal controls to account for unclaimed property received by the state, the office should not also manage the program.

The chief deputy secretary of state, David L. Howard, said that the secretary's office does not have personnel with the special training and capabilities needed to administer the proposed law. A representative of the department of taxation said that his department does not normally deal with the institutions which would be involved under the proposed law and the functions of his department are not related to it. (Under A.B. 425 the assignment was to the department of taxation.)

The superintendent of banks, Joseph O. Seigny, representing the department of commerce, pointed out that the greatest amount of money likely to be received by the state under the proposed law would come from institutions now regulated by the department of commerce. He noted that the department includes a banking division, a savings and loan division and an insurance division, which already have auditing capabilities. Also, the department includes a consumer affairs division.

9. Division of authority avoided.

Under existing Nevada statutes, the labor commissioner and the commissioner of insurance deal with unclaimed property. When the labor commissioner collects money for wages and commissions under assignments from workers, he deposits the collected money in a commercial account, and some of the money may remain unclaimed in the account. (NRS 607.170) When any life insurance company has held unclaimed money owing to an insured or annuitant for 7 years or more, the company must pay the money to the commissioner of insurance. He deposits part of such money in a special trust fund and the rest in the state general fund, subject to future claims. (Chapter 697A of NRS)

The subcommittee's bill assigns the entire administrative authority to the director of the department of commerce. The bill modifies the duties of the labor commissioner and eliminates the duties of the commissioner of insurance concerning unclaimed property. The subcommittee's purpose was to avoid any division of administrative authority.

10. Costs of administration estimated.

The subcommittee requested that the fiscal analysts of the legislative counsel bureau undertake to estimate the future costs of an administrative unit to carry out the proposed law during the first biennium of the unit's operation. Their response follows:

While it does not appear that there is a feasible way to determine the number of items of unclaimed property and their value, virtually all unclaimed property covered by the proposed legislation would be in banks, savings and loans and other financial institutions. The unclaimed property unit would need resources to gather information from these organizations and to audit for compliance. Also required would be systems and resources for trust accounting and the location of owners.

<u>Personnel</u>	<u>FY 1979-80</u>	<u>FY 1980-81</u>
Program Administrator	\$ 27,200	\$ 28,300
Principal Auditor	19,600	20,600
Senior Auditor	18,700	19,700
Senior Accountant	18,700	19,700
Senior Account Clerk	11,400	12,000
Senior Clerk Typist	9,900	10,400
Fringe at 15 percent	<u>15,800</u>	<u>16,600</u>
Total Personnel Cost	\$121,300	\$127,300

<u>Travel</u>	\$ 30,000	\$ 35,000
<u>Operating at 25 percent of Salaries</u>	\$ 30,300	\$ 31,800
<u>Electronic Data Processing Systems</u>	\$ 3,000	
<u>Equipment</u>	\$ 9,500	\$ 500
<u>Training</u>	\$ 7,000	
<u>Grand Total</u>	<u>\$201,000</u>	<u>\$195,000</u>

These figures are adjusted for estimated inflationary increases and assume full operation of the unit on July 1, 1979.

The fiscal analysts caution that the estimates are only approximate because these factors are unknown:

- (1) The extent of the unclaimed property.
- (2) The level of auditing required to reach an optimum return for the money spent.
- (3) The time required for such a unit to become self-supporting. (It would take about 2 years before a significant return could be expected.)

The subcommittee has incorporated these totals in the appropriation section of its recommended bill.

11. Limited retroactive effect intended.

If the subcommittee's recommended bill becomes law, it will become effective on July 1, 1979.

The subcommittee has followed the uniform act in providing for a limited retroactive operation. Section 29 of the bill requires the holder, in his initial report of presumably abandoned property, to include all those items which would have been presumed abandoned if the law had been in effect since July 1, 1969.

The subcommittee assumes that if the bill were drawn without section 29, the prescribed periods of inactivity for presumed abandonment would begin to run on July 1, 1979, at the earliest, and hence the first reports would not be received by the administering agency until several years later.

By including section 29 in the bill, the subcommittee intends that the holder, in determining what property is presumed abandoned, must count any full period which had begun during the 10 years preceding July 1, 1979, and not only each full period which begins on or after that date.

Section 29 will therefore allow the law to serve all of its purposes at an earlier time and will also lessen the need of the administering unit to be supported by appropriated money during the developing stages of its program.

Respectfully submitted,

Assemblyman Robert E. Robinson, Chairman
Assemblyman Peggy B. Westall
Senator Norman D. Glaser
Assemblyman Lawrence E. Jacobsen
Assemblyman Paul W. May

SUMMARY--Adopts Uniform Disposition of Unclaimed Property Act,
with modifications. (BDR 10-104)

Fiscal Note: Effect on Local Government: Yes.

Effect on the State or on Industrial

Insurance: Contains Appropriation.

AN ACT relating to unclaimed property; adopting the Uniform
Disposition of Unclaimed Property Act with modifications;
establishing an abandoned property trust fund; providing
penalties; making an appropriation; and providing other
matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND

ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Title 10 of NRS is hereby amended by adding thereto
a new chapter to consist of the provisions set forth as sections
2 to 46, inclusive, of this act.

Sec. 2. This chapter may be cited as the Uniform Disposition
of Unclaimed Property Act.

Sec. 3. This chapter shall be so construed as to effectuate
its general purpose to make uniform the law of those states
which enact it.

Sec. 4. As used in this chapter, unless the context otherwise
requires, the words and terms defined in sections 5 to 14,
inclusive, of this act have the meanings ascribed to them in
those sections.

Sec. 5. "Banking organization" means any bank, trust company,
savings bank or a private banker engaged in business in this
state.

Sec. 6. "Business association" means any corporation (other
than a public corporation), joint-stock company, business trust,

partnership or any association for business purposes of two or more natural persons.

Sec. 7. "Department" means the department of commerce.

Sec. 8. "Director" means the director of the department.

Sec. 9. "Financial organization" means any savings and loan association, building and loan association, credit union or investment company engaged in business in this state.

Sec. 10. "Holder" means any person in possession of property subject to this chapter belonging to another, or who is trustee in case of a trust, or is indebted to another on an obligation subject to this chapter.

Sec. 11. "Life insurance corporation" means any association or corporation transacting within this state the business of insurance on the lives of persons or insurance appertaining thereto, including but not by way of limitation, endowments and annuities.

Sec. 12. "Owner" means a depositor in case of a deposit, a beneficiary in case of a trust, a creditor, claimant or payee in case of other choses in action, or any person having a legal or equitable interest in property subject to this chapter, or his legal representative.

Sec. 13. "Person" means any natural person, business association, government or political subdivision, public corporation, public authority, estate, trust, two or more persons having a joint or common interest or any other legal or commercial entity.

Sec. 14. "Utility" means any person who owns or operates within this state for public use any plant, equipment, property,

franchise or license for the transmission of communications or the production, storage, transmission, sale, delivery or furnishing of electricity, water, steam or gas.

Sec. 15. The director shall carry out the provisions of this chapter and may adopt regulations appropriate for this purpose.

Sec. 16. The following property held or owing by a banking or financial organization or by a business association is presumed abandoned:

1. Any demand, savings or matured time deposit made in this state with a banking organization, together with any interest or dividend thereon, excluding any charges that may lawfully be withheld, unless the owner has within 5 years in the case of a demand deposit or within 10 years in the case of a savings or matured time deposit:

(a) Increased or decreased the amount of the deposit, or presented the passbook or other similar evidence of the deposit for the crediting of interest;

(b) Corresponded in writing with the banking organization concerning the deposit; or

(c) Otherwise indicated an interest in the deposit as evidenced by a memorandum on file with the banking organization.

2. Any money paid in this state toward the purchase of shares or other interest in a financial organization or any deposit made with such an organization in this state, and any interest or dividends thereon, excluding any charges that may lawfully be withheld, unless the owner has within 10 years:

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

(b) Corresponded in writing with the financial organization concerning the funds or deposit; or

(c) Otherwise indicated an interest in the funds or deposit as evidenced by a memorandum on file with the financial organization.

3. Any sum payable on a check certified in this state or on a written instrument issued in this state on which a banking or financial organization or business association is directly liable, including by way of illustration but not of limitation any certificate of deposit, draft, money order or traveler's check, which has been outstanding for more than 10 years from the date it was payable, or from the date of its issuance if payable on demand, unless the owner has within 10 years corresponded in writing with the banking or financial organization or business association concerning it, or otherwise indicated an interest as evidenced by a memorandum on file with the banking or financial organization or business association.

4. Any money or other personal property, tangible or intangible, removed from a safe-deposit box or any other safekeeping repository in this state on which the lease or rental period has expired because of nonpayment of rental charges or other reason, or any surplus amounts arising from the sale thereof pursuant to law, that have been unclaimed by the owner for more than 7 years from the date on which the lease or rental period expired.

Sec. 17. 1. A banking or financial organization shall not impose a charge upon a depositor's account based on the dormancy of the account unless the organization has first mailed a notice of its intended charge to the depositor at his last-known address and has allowed him 2 weeks to respond.

2. The director may prescribe by regulation the highest rate of charge which a banking or financial organization may impose upon a dormant account.

3. In the absence of such a regulation, a banking or financial institution shall not impose a charge upon a dormant account of more than \$5 per month.

Sec. 18. 1. Unclaimed money held and owing by a life insurance corporation is presumed abandoned if the last-known address, according to the records of the corporation, of the person entitled to the money is within this state. If a person other than the insured or annuitant is entitled to the money and no address of such person is known to the corporation or if it is not definite and certain from the records of the corporation what person is entitled to the money, it is presumed that the last-known address of the person entitled to the money is the same as the last-known address of the insured or annuitant according to the records of the corporation.

2. "Unclaimed money," as used in this section, means all money held and owing by any life insurance corporation unclaimed and unpaid for more than 7 years after the money became due and payable as established from the records of the corporation under any life or endowment insurance policy or annuity contract which

has matured or terminated. A life insurance policy not matured by actual proof of the death of the insured shall be deemed matured and the proceeds thereof deemed due and payable if the policy was in force when the insured attained the limiting age under the mortality table on which the reserve is based, unless the person appearing entitled thereto has within the preceding 7 years:

(a) Assigned, readjusted or paid premiums on the policy or subjected the policy to loan; or

(b) Corresponded in writing with the life insurance corporation concerning the policy.

3. Money otherwise payable according to the records of the corporation shall be deemed due and payable although the policy or contract has not been surrendered as required.

Sec. 19. Any money held or owing by any utility is presumed abandoned if it is money deposited by a subscriber with a utility to secure payment for or to pay in advance for utility services to be furnished in this state, less any lawful deductions, that has remained unclaimed by the person appearing on the records of the utility entitled thereto for more than 7 years after the termination of the services for which the deposit or advance payment was made.

Sec. 20. 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, member, bondholder or other

security holder, or a participating patron of a cooperative, who has not claimed it or corresponded in writing with the business association concerning it within 7 years after the date prescribed for payment or delivery, is presumed abandoned if:

1. It is held or owing by a business association organized under the laws of or created in this state; or

2. 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.

Sec. 21. All intangible personal property distributable in the course of a voluntary dissolution of a business association, banking organization or financial organization organized under the laws of or created in this state that is unclaimed by the owner within 7 years after the date for final distribution is presumed abandoned.

Sec. 22. All intangible personal property and any income or increment thereon held in a fiduciary capacity for the benefit of another person is presumed abandoned unless the owner has, within 7 years after it becomes payable or distributable, increased or decreased the principal, accepted payment of principal or income, corresponded in writing concerning the property or otherwise indicated an interest as evidenced by a memorandum on file with the fiduciary:

1. If the property is held by a banking organization or a financial organization or by a business association organized under the laws of or created in this state;

2. If it is held 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; or

3. If it is held in this state by any other person.

Sec. 23. All intangible personal property held for the owner by any court, public corporation, public authority or public officer of this state, or a political subdivision thereof, that has remained unclaimed by the owner for more than 7 years is presumed abandoned. This section does not apply to refunds held by the public service commission of Nevada pursuant to NRS 704.550 and 706.711.

Sec. 24. All intangible personal property not otherwise covered by this chapter, including any income or increment thereon and deducting any lawful charges, that is held or owing in this state in the ordinary course of the holder's business and has remained unclaimed by the owner for more than 7 years after it became payable or distributable is presumed abandoned.

Sec. 25. If specific property which is subject to the provisions of sections 16, 20, 21, 22 and 24 of this act is held for or owed or distributable to an owner whose last-known address is in another state by a holder who is subject to the

jurisdiction of that state, the specific property is not presumed abandoned in this state and subject to this chapter if:

1. It may be claimed as abandoned or escheated under the laws of the other state; and

2. The laws of the other state make reciprocal provision that similar specific property is not presumed abandoned or escheatable by the other state when held for or owed or distributable to an owner whose last-known address is within this state by a holder who is subject to the jurisdiction of this state.

Sec. 26. 1. The director may enter into an agreement to provide information needed to enable another state to determine the existence of unclaimed property to which it may be entitled if the other state agrees to provide this state with information needed to enable this state to determine the existence of unclaimed property to which this state may be entitled. The director may, by regulation, require the reporting of information needed to enable him to comply with agreements made pursuant to this section and may, by regulation, prescribe the form, including verification, of the information to be reported and the times for filing the reports.

2. At the request of another state, the attorney general of this state may bring an action in the name of the other state, in any court of competent jurisdiction of this state or federal court within this state, to enforce the unclaimed property laws of the other state against a holder in this state of property to which the other state is entitled, if:

(a) The courts of the other state cannot obtain jurisdiction over the holder;

(b) The other state has agreed to bring actions in the name of this state at the request of the attorney general of this state to enforce the provisions of this chapter against any person in the other state believed by the director to hold property to which this state is entitled, where the courts of this state cannot obtain jurisdiction over such person; and

(c) The other state has agreed to pay reasonable costs incurred by the attorney general in bringing the action on its behalf.

3. If the director believes that a person in another state holds property to which this state is entitled under this chapter and the courts of this state cannot obtain jurisdiction over that person, the attorney general of this state may request an officer of the other state to bring an action in the name of this state to enforce the provisions of this chapter against such person. This state shall pay all reasonable costs incurred by the other state in any action brought under the authority of this section. The director may agree to pay to any state bringing such an action a reward not to exceed 15 percent of the value, after deducting reasonable costs, of any property recovered for this state as a direct or indirect result of the action. Any costs or rewards paid pursuant to this section must be paid from the abandoned property trust fund and must not be deducted from the amount that is subject to be claimed by the owner in accordance with this chapter.

Sec. 27. 1. Every person holding money or other property presumed abandoned under this chapter shall make a verified report to the department with respect to the property.

2. The report must include:

(a) Except with respect to traveler's checks and money orders, the name, if known, and last-known address, if any, of each person appearing from the records of the holder to be the owner of any property of the value of \$10 or more presumed abandoned under this chapter.

(b) In case of unclaimed money held by a life insurance corporation, the full name of the insured or annuitant and his last-known address according to the corporation's records.

(c) The nature and identifying number, if any, or description of the property and the amount appearing from the records to be due, except that items of value under \$10 each may be reported in the aggregate.

(d) The date when the property became payable, demandable or returnable and the date of the last transaction with the owner with respect to the property.

(e) Other information which the director prescribes by regulation as necessary for the administration of this chapter.

3. If the person holding property presumed abandoned is a successor to other persons who previously held the property for the owner, or if the holder has changed his name while holding the property, he shall file with his report all prior known names and addresses of each holder of the property.

4. The report must be filed before November 1 of each year for the preceding fiscal year ending June 30 except that the report of a life insurance corporation must be filed before May 1 of each year for the preceding calendar year. The director may, in writing, postpone the reporting date upon written request by any person required to file a report.

5. Verification of the report, if made by a partnership, must be executed by a partner; if made by an unincorporated association or private corporation, by an officer; and if made by a public entity or corporation, by its chief fiscal officer.

Sec. 28. 1. If the holder of property presumed abandoned under this chapter knows the whereabouts of the owner and if the owner's claim has not been barred by the statute of limitations, the holder shall, before filing the annual report, communicate with the owner and take necessary steps to prevent abandonment from being presumed. The holder shall exercise due diligence to ascertain the whereabouts of the owner.

2. The director may, by regulation, prescribe a form on which the owner may indicate his interest in maintaining the deposit, shares or account. If a form is so prescribed, the holder shall send the form to the owner not less than 6 nor more than 12 months before the time when the holder's report is due. If the owner fills out, signs and returns the form to the holder, this action prevents abandonment from being presumed. The director may, by regulation, authorize the holder to impose a charge of not more than a prescribed amount upon the owner's deposit,

shares or account for the expense of mailing the form. In the absence of a regulation prescribing the maximum charge, the holder may impose a charge of not more than \$2.

Sec. 29. The initial report filed under this chapter must include all items of property that would have been presumed abandoned if this chapter had been in effect during the 10-year period preceding its effective date.

Sec. 30. 1. Within 180 days after the filing of the report required by section 27 of this act, the director shall cause notice to be published at least once each week for 2 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 must be published in the county in which the holder of the abandoned property has his principal place of business within this state.

2. The published notice must be entitled "Notice of Names of Persons Appearing To Be Owners of Abandoned Property," and must contain:

(a) The names in alphabetical order and last-known addresses, if any, of persons listed in the report and entitled to notice within the county.

(b) A statement that information concerning the amount or description of the property and the name and address of the holder may be obtained by any persons possessing an interest in the property by addressing an inquiry to the department.

(c) A statement that if proof of claim is not presented by the owner to the holder and if the owner's right to receive the property is not established to the holder's satisfaction within 60 days after the date of the second published notice, the abandoned property will be placed not later than 80 days after such publication date in the custody of the department, to which all further claims must thereafter be directed.

3. The director is not required to publish in such notice any item valued at less than \$25 unless he deems such publication to be in the public interest.

Sec. 31. 1. Within 180 days after receiving the report required by section 27 of this act, the director shall mail a notice to each person having an address listed therein who appears to be entitled to property of the value of \$25 or more presumed abandoned under this chapter.

2. The mailed notice must contain:

(a) A statement that, according to a report filed with the department, property is being held to which the addressee appears entitled.

(b) The name and address of the person holding the property and any necessary information regarding changes of name and address of the holder.

(c) A statement that if satisfactory proof of claim is not presented by the owner to the holder by the date specified in the published notice, the property will be placed in the custody of the department, to which all further claims must be directed.

3. This section is not applicable to sums payable on traveler's checks or money orders presumed abandoned under section 16 of this act.

Sec. 32. Every person who has filed a report under section 27 of this act shall, within 20 days after the time specified in section 30 of this act for claiming the property from the holder or in the case of sums payable on traveler's checks or money orders presumed abandoned under section 16 of this act, within 20 days after the filing of the report, pay or deliver to the department all abandoned property specified in this report, except that if an owner has established his right to receive any of the abandoned property to the holder's satisfaction within the time specified in section 30 of this act or if it appears to the holder that for some other reason the presumption of abandonment is erroneous, such property will no longer be presumed abandoned and the holder need not pay or deliver it to the department but shall file a verified written explanation of the proof of claim or of the error in the presumption of abandonment.

Sec. 33. No service, handling, maintenance or other charge or fee may be deducted or withheld from any property subject to this chapter if, under the holder's policy or practice, the holder would not have excluded, withheld or deducted such a charge or fee if the property had been claimed by the owner before it was paid or delivered to the department.

Sec. 34. 1. Upon the payment or delivery to it of abandoned property, the department shall assume custody of the property and is thereafter responsible for its safekeeping.

2. Any person who pays or delivers abandoned property to the department under this chapter is relieved of all liability to the extent of the value of the property so paid or delivered for any claim which then exists or which thereafter may arise or be made in respect to the property.

3. Any holder who has paid money to the department pursuant to this chapter may make payment to any person appearing to the holder to be entitled thereto, and if the holder files with the department proof of such payment and proof that the payee was entitled thereto, the department shall forthwith reimburse the holder for the payment, without charge. Where reimbursement is sought for a payment made on a negotiable instrument (including a traveler's check or money order), the department shall reimburse the holder upon his filing proof that the instrument was duly presented to him and that payment was made thereon to a person who appeared to the holder to be entitled to payment.

4. If the holder pays or delivers property to the department in accordance with this chapter and thereafter any person claims the property from the holder, or another state claims the property from the holder under that state's laws, the attorney general shall, upon written request of the holder, defend him against the claim and the director shall indemnify him against any liability on the claim.

Sec. 35. When property is paid or delivered to the department under this chapter, the owner is not entitled to receive income, interest or other increments accruing thereafter.

Sec. 36. The expiration of any period specified by statute or court order, during which an action or proceeding may be commenced or enforced to obtain payment of a claim for money or recovery of property, does not prevent the money or property from being presumed abandoned property, nor affect any duty to file a report required by this chapter or to pay or deliver abandoned property to the department.

Sec. 37. 1. All abandoned property other than money delivered to the department under this chapter must, within 1 year after the delivery, be sold by the director 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 director may decline the highest bid and reoffer the property for sale if he considers the price bid insufficient. The director need not offer any property for sale if in his opinion the probable cost of sale exceeds the value of the property, or if he has received a written request from the Nevada state museum or the Nevada historical society for any item which has, in the opinion of the requesting institution, historical, artistic or literary value and is worthy of preservation.

2. Any sale held under this section must be preceded by a single publication of notice thereof at least 2 weeks in advance of sale in a newspaper of general circulation in the county where the property is to be sold.

3. The purchaser at any sale conducted by the director pursuant to this chapter is vested with title to the property purchased, free from all claims of the owner or prior holder and of all persons claiming through or under them. The director shall execute all documents necessary to complete the transfer of title.

Sec. 38. 1. There is hereby created in the state treasury the abandoned property trust fund.

2. All money received by the department under this chapter, including the proceeds from the sale of abandoned property, must be deposited by the director in the state treasury for credit to the abandoned property trust fund.

3. Before making such a deposit, the director:

(a) 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 must be available for public inspection at all reasonable business hours.

(b) May deduct:

(1) Any costs in connection with the sale of abandoned property.

(2) Any costs of mailing and publication in connection with any abandoned property.

(3) Reasonable service charges.

4. At the end of each fiscal year the amount of the fund balance in excess of \$25,000 must be deposited with the state treasurer for credit to the state general fund.

Sec. 39. Any person claiming an interest in any property delivered to the state under this chapter may file a claim to the property or to the proceeds from the sale thereof on the form prescribed by the director.

Sec. 40. 1. The director shall review each claim filed under this chapter and may hold a hearing and receive evidence concerning the claim. If a hearing is held, he shall prepare findings of fact and a decision in writing stating the substance of any evidence heard and the reasons for his decision. The decision is a public record.

2. If the director allows the claim, he shall pay it, without deduction for costs of notices or sale or for service charges, from the abandoned property trust fund as other claims against the state are paid.

Sec. 41. Any person aggrieved by a decision of the director, or as to whose claim the director has failed to render a decision within 90 days after the filing of the claim, may commence an action in the district court to establish his claim. The proceeding must be brought within 90 days after the decision of the director or within 180 days after the filing of the claim if the director has failed to render a decision. The action must be tried without a jury in cases where the director has failed to render a decision.

Sec. 42. After the director has received reports of property presumed abandoned, he may decline to receive any of the reported property which he deems to have a value less than the cost of giving notice and holding a sale, or he may, if he deems it desirable because of the small sum involved, postpone taking possession until a sufficient sum accumulates. Unless it gives notice to the contrary, within 180 days after the holder has filed his report, the department shall be deemed to have elected to receive the custody of the property.

Sec. 43. 1. The director may at reasonable times and upon reasonable notice examine the records of any person if he has reason to believe that the person has failed to report property which should have been reported pursuant to this chapter.

2. To determine compliance with this chapter, the superintendent of banks and the commissioner of savings associations may respectively examine the records of any banking organization and any savings and loan association doing business within this state but not organized under the laws of or created in this state.

3. When requested by the director, any licensing or regulating agency otherwise empowered by the laws of this state to examine the records of the holder shall include in its examination a determination whether the holder has complied with this chapter.

Sec. 44. If any person refuses to pay or deliver property to the department as required under this chapter, the attorney

general, upon request of the director, may bring an action in a court of competent jurisdiction to enforce the payment or delivery.

Sec. 45. 1. Any person who willfully fails to make any report or perform any other duty required under this chapter is guilty of a misdemeanor. Each day such a report is withheld constitutes a separate offense.

2. Any person who willfully refuses to pay or deliver abandoned property to the department as required under this chapter is guilty of a gross misdemeanor.

Sec. 46. In addition to any penalties for which he may be liable, any person who fails to report or to pay or deliver abandoned property within the time prescribed by this chapter shall pay to the department interest at the rate of 12 percent per annum on the money or the value of other property from the date on which the property should have been paid or delivered.

Sec. 47. NRS 32.020 is hereby amended to read as follows:

32.020 1. In any receivership proceeding instituted in which a dividend or dividends have been declared and ordered paid to creditors, any dividend which remains unclaimed for [5] 7 years [shall revert] reverts to the general fund of the estate and [shall] must be applied as follows:

(a) To the payment of costs and expenses of the administration of the estate and receivership.

(b) To a new dividend distributed to creditors whose claims have been allowed but not paid in full, and after such claims

have been paid in full the balance [shall be paid to the insolvent or receivership estate.

(c) Where such funds together with other funds available are, in the judgment of the court, insufficient in amount to warrant the declaration and distribution of another dividend by reason of the incident expense, such fund, after the payment of all expenses and costs of administration, shall escheat to the State of Nevada as an escheated estate. Order to escheat shall be made upon petition and hearing, notice thereof to be given by publication in one or more newspapers of general circulation as directed by the court.] is presumed abandoned under section 22 of this act.

2. This section [shall apply] applies to any receivership proceeding which may be brought, and includes any bank, banking corporation, corporation, copartnership, company, association or [individual.] natural person.

Sec. 48. NRS 607.170 is hereby amended to read as follows:

607.170 1. When the labor commissioner deems it necessary, he may take assignments of wage and commission claims and prosecute actions for collection of wages, commissions and other demands of persons who are financially unable to employ counsel in cases in which, in the judgment of the labor commissioner, the claims for wages or commissions are valid and enforceable in the courts.

2. In all wage or commission matters and before [the] taking [of] such assignments, the labor commissioner [, in his discretion,]

may summon to appear before him, at a suitable place in the county of the wage or commission claimant or claimants, his or their employer or employers and all other necessary persons for the purpose of adjusting and settling claims for wages or commissions before bringing suit therefor, and the labor commissioner may effect reasonable compromises of [and concerning] such [wage or commission] claims.

3. The labor commissioner or his deputy may maintain a commercial account with any bank within the state for the deposit of [funds] money collected for wage or commission claims. Such [funds shall] money must be promptly paid to the persons entitled thereto. At the end of each calendar year, any unclaimed [moneys] money in the commercial account which [shall have] has been a part of [such] the account for [a period of] 7 years or more [shall be paid into the general fund in the state treasury for the use of the state.] is presumed abandoned under section 23 of this act.

Sec. 49. NRS 78.292, 645A.180, 673.339, 678.660 and 697A.010 to 697A.130, inclusive, are hereby repealed.

Sec. 50. The commissioner of insurance shall deposit with the state treasurer for credit to the abandoned property trust fund, established by section 38 of this act, all money in the special trust fund which was administered by the commissioner pursuant to NRS 697A.090. The director of the department of commerce shall pay from the abandoned property trust fund the claim of

any person who would have been entitled under NRS 697A.100 to payment from the commissioner's special trust fund.

Sec. 51. There is hereby appropriated from the state general fund to the director of the department of commerce the sum of \$201,000 for the period beginning July 1, 1979, and ending June 30, 1980, and the sum of \$195,000 for the period beginning July 1, 1980, and ending June 30, 1981, for the purpose of carrying out the provisions of this act.

Sec. 52. This act does not apply to any property which has escheated or has been presumed abandoned under the law of another state before the effective date of this act.