



THE UNCLAIMED PROPERTY LEDGER

IN THIS ISSUE

ABOUT VENIO

HOT TOPIC

- The Growing Trend towards Online Unclaimed Property Reporting

By Maria Montoya-Elder

This article explores the new arena and growing trend of online electronic unclaimed property reporting

CONTRIBUTOR'S CORNER

- Why does Unclaimed Property exist?

By Will Yancey, PhD, CPA

This article examines some of the reasons unclaimed property is created and explores practical solutions to address them

LEGISLATIVE UPDATES

These are available only in our online edition

ABOUT VENIO

Venio finds owners of unclaimed property for banks, brokerage firms, mutual funds, insurance companies, transfer agents, and publically held companies. Its search and location, reporting, and risk management services ensure compliance with SEC regulations and state laws, reduce expenses and improve customer and asset retention. With over 45 years of experience, Venio has recovered and restored hundreds of millions of dollars in unclaimed property for clients and their customers.

© 2010 Venio LLC, all rights reserved.



HOT TOPIC

The Growing Trend towards Online Unclaimed Property Reporting

By Maria Montoya-Elder

Many companies and governmental agencies have been seeking ways to cut expenses and streamline processes where possible. Do you know how much your company spends per year to manage paper? The main costs of paper documentation fall into copying, delivery, handling, storage, and retrieval. Copying costs account for 33% of expenses and distribution costs account for 56%, according to a study conducted by Alameda County. Other studies show that for every dollar

spent on printing documents, companies incur another \$6 in handling and distribution of the paper, as reported in Mandy Haggith's book *Paper Trails: From Trees to Trash—The True Cost of Paper*.

Currently, the only state trying to pass a bill requiring electronic online filing is Indiana, according to state officials. The legislature committees in Indiana have just started forming as of January 5, 2010 for the current legislative session. Once the initiative progresses to become a formal bill, then it can be tracked on the Indiana legislative state website: www.in.gov/apps/lisa/session/billwatch/billinfo?year=2010&session=1&request=all. Other jurisdictions, including **Arkansas, Idaho, Kansas, Massachusetts, Maryland, Maine, Mississippi, Montana, New York, Texas, Utah, Washington, and West Virginia** allow for filing online through their website, but it is not mandatory. Additionally, some states are not set up for FTP upload of reports, but they do accept emailed reports. (This alternative should always be pursued with caution and steps taken to protect the security and privacy of any data transmitted, such as encrypting the file before it is emailed.) See the following table for valuable state link and resources.

Valuable state links and resources:

It is recommended to check a state's website prior to attempting to submit a report.

Arkansas

https://www.ark.org/upr/app/annual_report_form.html

Idaho

https://www.accessidaho.org/secure/istc/filing/unclaimed.html?login_step=createUser

Indiana

<http://ucp.indianaunclaimed.com/attorneygeneral/ucp/reporting.html>

Kansas

http://www.kansasstateTreasurer.com/prodweb/public_new_user.php

Massachusetts

<http://abpweb.tre.state.ma.us/abp/frmLoginTaxId.aspx>

Maryland

<https://interactive.marylandtaxes.com/business/Compliance/UnclaimedPR/>

Maine

https://www.maine.gov/Treasurer/unclaimed_property/HolderReports/holder_info.php

Mississippi

<http://www.treasury.state.ms.us/unclaimed/wagers/holderreportinglogin.asp>

Montana

<https://app.mt.gov/epass/epass/login?state=NTk1MDAAMTE1MzMzAA==>

New York

First time call: 1-800-221-9311 or email NYSRPU@osc.state.ny.us to get a username and password.

Texas

<https://txcpa.cpa.state.tx.us/unclpropholder/welcomeAction.do?action=Holder>

Utah

https://www.up.utah.gov/Hldr_Login.asp

Washington

<https://fortress.wa.gov/dor/efile/content/doingbusiness/myaccount/FortressLogon/UcpLogon.aspx>

West Virginia

<https://apps.wvsto.com/EHolder/>

Benefits and Drawbacks

You may be asking yourself, "What are some of the benefits online electronic filing provides to holders?" Filing online provides 24 hour access for holders or reporting agents to report unclaimed property. It also offers enhanced tracking of your report's status (such as filed, in review, accepted by the state, etc.), is a user-friendly, and convenient process. Online filing also offers a potential cost reduction in various areas of reporting.



Conversely, there are some possible drawbacks to this process. It would require deviating from your standard process for applicable states. As with any new process there would be a learning curve with implementing online unclaimed property report filing. Also, a revision of your written procedures would need to be made to contain online reporting as part of your company's policies and procedures. There is lead time to establish an account. For some states only one account can be set up for a holder, while with other states, multiple accounts can be set up. In an environment where multiple people work on the process it could be beneficial to have multiple accounts and an audit trail that logs the activity by user ID. Along with multiple user account set up comes maintenance to track all of the used IDs and passwords. Another potential issue could be if your data security controls would require for each state's FTP site to be certified as secure before you are permitted to upload any reports. Additionally, if you are contacting state unclaimed property offices during their peak times, you could experience slow response times due to the increased inquiries.

There are advantages for states with online electronic filing. One clear benefit is the reduction in the handling of reports. Instead of a report coming through a mailroom, being logged, and the CD (or other media) being loaded and compared to the paper, in an online filing environment, the report is received, run through quality control and then can be loaded. This reduces many handling steps, saving time, and theoretically reducing labor needs and overall costs. When reports are directly loaded there is no risk of a CD and a report getting separated. Also, in addition to the holder, the state agency will be able to track reports electronically through each step in the process.

Although state agencies have many benefiting factors to implementing online reporting, they have experienced challenges along the way too. Some challenges after the systems are in place, have been the communication gap between the holder and the state agencies on how and what is required by filing online, large numbers of holders trying to upload incorrect file formats to portals, for example uploading encrypted files instead of standard text, and reports not being compliant with the state's required format, such as NAUPA, NAUPA II, or a state specific format.

Getting Started

To get started you will need to create an online account with the applicable states. Go to each of the official state's websites and click on the unclaimed property reporting link. After registering, your request will be reviewed by the state's holder staff and typically approved within several days to a week. All report formats must be either NAUPA compliant or in an appropriate format depending on the state requirements. Most states use the NAUPA II Standard Format, but NY requires the use of it's own property type codes, while yet other states use the original standard NAUPA format.

To upload and file your appropriately formatted report on the state website no software other than a web browser is needed. The web-based application can be an easy way to transfer large electronic files. Once you have created a new user account you may:

- Upload your NAUPA compliant electronic file ('positive' report)
- Inform the state you have nothing to report ('negative' report)
- Check the status of your report(s)
- Update your account information

Speaking specifically about Indiana, online electronic filing provides the secure transfer of sensitive data. All aspects of the transfer are encrypted. Its online reporting application meets all security requirements under federal law (meeting the minimum security requirements as defined in the NIST Special Publication 800-53, more information is available at <http://csrc.nist.gov/publications>). Also, Indiana is set up to handle multiple user IDs and passwords, so each user can have a unique user ID and password. These passwords are generated and encrypted using industry-standard best practices and non-reversible encryption algorithms, and managed in different tiers within the application infrastructure. No staff member or external user is able to access another user's password. Indiana's system employs user-initiated reminders and email activation techniques. Also, the traffic is encrypted using an industry standard 128-bit SSL.

Most unclaimed property software programs including FSI Track, Chesapeake, and Tracker automatically generate unclaimed property reports in the formats that are mandated by state requirements. If you do not subscribe to a software provider there is a free software program available to comply with state format through the National Association of Unclaimed Property Administrators (NAUPA) website at www.unclaimed.org/reporting/free-compliance-tools/free-holder-reporting-software/.

Specific to Indiana

When filing your Indiana report online here are a few helpful reminders:

- ✓ All holders are **STRONGLY** recommended to report online. (When this new requirement was first published, it was promoted as a requirement; however, Indiana has backed off from that original position and now strongly recommends online filing and there are efforts to codify this.)
- ✓ Reporting Holders must pre-register and be confirmed before proceeding with report upload this could take between 3-5 business days.
- ✓ The online reporting link is <http://ucp.indianaunclaimed.com/attorneygeneral/ucp/reporting.html>
- ✓ All reports uploaded must be in NAUPA II standard text format with a .txt extension or manually entered.
- ✓ Report and remittance due dates have remained the same.
- ✓ Also, negative reports continue to be required for holders with nothing to report.

The rise of online commerce offers us exciting opportunities to convert or redesign existing processes. But at the same time, one should be aware of the startup and ongoing challenges that could arise in converting processes. Though the transition from paper to electronic online unclaimed property filing does require intensive resources to get started, the potential immediate and long-term benefits in security, cost reduction, efficiency, convenience, etc. could mitigate these initial challenges and costs. For holders that choose to embrace online electronic filing or if it becomes mandatory, staying ahead of the transition curve could prevent last-minute accommodations to these upgrades and allow for methodical and organized transition and operations.

In future articles, Venio will explore the enhancement plans making their way at many state sites in accepting payments online.

To automatically receive notification of posting for of our online newsletters, you may subscribe by sending an email to newsletter@venio.com.

CONTRIBUTOR'S CORNER

Why does Unclaimed Property exist?

By Will Yancey, PhD, CPA

With all the sophisticated software used by businesses, outreach efforts by states' unclaimed property offices, and education by the Unclaimed Property Professionals Organization (UPPO), shouldn't unclaimed property confusion be eliminated? Unfortunately, in reality it has not.

This article explores some of the root causes that enable unclaimed property problems to occur. Instead of taking a traditional legal analysis, this article compiles observations from my experience as a consultant, university professor, corporate employee, and consumer. The intent is to stimulate your thinking and help identify the red flags associated with unclaimed property. The causes and possible solutions discussed below apply to some but not necessarily all businesses.

Downsizing

The worldwide corporate mania for reducing personnel costs is the most important enabling factor for unclaimed property. Much of an organization's "institutional memory" is lost when people are let go or leave. Headcount reductions deplete the ranks of accounts payable staff who knew the vendor payment systems, accounts receivable staff who knew the customer billing systems, and the human relations staff who knew the payroll and benefits systems. After these reductions, the remaining people are stressed, doing more tasks with fewer resources. The tedious tasks of unclaimed property compliance, such as following up on due diligence inquiries might not get done in a timely manner under these challenging circumstances.

Solution to downsizing: During the downsizing process, it is important to document the exposure to unclaimed property risks. Managers facing downsizing in their departments or loss of their own jobs can write emails and letters to senior executives, directors, and internal auditors warning of the problems. Even if the problem is not solved, at least there is a sense of "washing blood from one's hands", by disclosing the risks. Senior management may decide to outsource unclaimed property compliance to an outside contractor to assist with the challenges downsizing causes - and many of those are UPPO members.

Consolidation

Consolidation of formerly separate business units and functions is often associated with downsizing. When each business unit or department was separate there were usually one or two people who took a lot of "ownership" in keeping their unit's records. For example, each manufacturing plant had its own

plant bookkeeper who kept the records, knew the vendors and employees, and had a lot of pride in getting things done right. The advantage of the decentralized system was that the span of control was small enough that one or two bookkeepers could know almost everything about checks and receipts. As an organization grows larger and more centralized, there is less direct personal interaction between the bookkeepers and the payees and customers. In many large multi-state or multinational companies, there are data entry operators who never see the buildings or products they are accounting for. In large centralized service centers it becomes more difficult to motivate the staff to understand and care about all the facets of the business.

Solutions to consolidation: Centralized organizations need to create more opportunities for the data entry people in their shared service centers to know and understand the field operations. They may be able to use monthly conference calls, videos, or visits from field operations to motivate the shared services people. Perhaps there could be small “contests” to motivate the staff in the shared service centers to reunite the true owners with their uncashed checks or customer credits.

Performance Metrics

Casual observation and organizational research often shows that the facets of the business that organizations measure influences behavior. If a business unit is measured by reported sales, then the unit will focus on reporting sales and put less effort into cash management. If the payables data entry staff is measured on the amount of time to process checks, they will process many payments with less attention to accuracy. It is possible, but more difficult, to motivate performance on several different quality and quantity metrics at the same time.

Unclaimed property compliance is often left out of the performance metrics. If following up on long outstanding checks and disbursements is not explicitly measured and reported, then that follow up will not get done effectively.

Solution for performance metrics: Unclaimed property is deadweight cost for most organizations. It is difficult to find ways to increase profits from unclaimed property compliance. Rather the goal is to avoid costs. There are real costs when unclaimed property exposure is identified and reported by the states’ unclaimed property audit contractors, internal auditors testing for control weaknesses, and financial statement auditors who ask CFOs to report estimated liabilities. If the top managers believe unclaimed property could cause negative disclosures, then they may be motivated to put in specific measures for unclaimed property compliance. Fear, uncertainty, and doubt (FUD) motivate all kinds of human behavior.

Management Ignorance

Unclaimed property is rarely mentioned in university business courses. I was a business school professor and I have firsthand knowledge that it was not mentioned in any textbooks that I saw. Most students graduate with a naïve belief that accounting software can and will detect all problems that result in unclaimed property. They cannot believe the extent of data entry errors, unclaimed items that are not followed up, terminated employees that disappear without getting their final paycheck and benefits, and other flaws.

In my experience, there are often about one in five hundred transactions (0.2 percent) that appear to have inadequate documentation as to their disposition. These include uncashed checks, customer credits, and other items. Due diligence and research can clear most but not all of these inadequately documented items. These transactions are more common when systems are not easy to understand, such as customer invoice statements that do not clearly disclose and distinguish prior payments by checks, credit cards, and electronic funds transfer.

Solution to management ignorance: We need to get more managers out to see what is really going on in their own companies. They should see how transactions are processed and how the staff struggles to get their systems to handle non-routine transactions. Ideally the senior managers should take their tour alone directly with the frontline staff. When the various department managers are allowed to “guide the tour”, they may keep the senior executives from seeing what is really happening on the frontlines. Another alternative could be to enlist internal audit to assist with coordinating processes between unclaimed property areas and the upstream operations that feed them.

Summary

Unclaimed property is often the unintended consequence of corporate change. As unclaimed property professionals, we need our senior executives to take an interest in exploring our organizations and talking to our frontline data entry and processing people. Unclaimed property professionals and others reading this article can speak up and raise awareness about these concerns to get more attention for these issues.

Dr. Yancey is a self-employed consultant and solo practitioner based in Dallas, Texas. His specialty is sampling, data analysis, and estimation for unclaimed property, sales and use tax, and other accounting data. He is often called to serve as an expert witness in disputes. He has a very large collection of links on unclaimed property at www.willyyancey.com/unclaimed.htm.

To subscribe, ask questions, or submit suggestions, please send an email to newsletter@venio.com.

LEGISLATIVE UPDATES



This web edition includes highlights of recently passed legislation impacting unclaimed property; it does not convey legal advice. (Budgetary legislation is only cited when there are peripheral provisions that might be of interest.)

ALABAMA

HB 222 effective 1/1/11: Assets of dissolved corporations that should be transferred to a creditor, claimant, or shareholder who cannot be found or who is not competent to receive them shall be reduced to cash and deposited with the State Treasurer for safekeeping. If the assets are not claimed after three years, they are presumed abandoned and are subject to the Uniform Disposition of Unclaimed Property Act.

ARKANSAS

HB 1483 adopted 4/7/2009: Arkansas Code § 18-28-201(13), concerning the definition of property, is amended so that the definition does not include a patronage dividend, capital credit, customer deposit, or non-negotiated payment check that does not exceed \$100 held or owing by an agricultural farm supply cooperative association organized under the laws of Arkansas.

SB 809 adopted 4/1/2009: When a cooperative formed under §23-17-240, has issued stock and thereafter declares, by providing notice to all shareholders of record at their last known address, that the stock is being redeemed by repurchase, the stock shall not be deemed unclaimed or abandoned property under §18-28-201.

ARIZONA

SB 1003 Effective 11/23/09: Many dormancy periods have been reduced:

- A traveler's check is presumed abandoned 3 years after issuance instead of 15.
- A money order or similar written instrument, other than a third party bank check, is presumed abandoned 3 years after issuance instead of 7.
- Any stock or other equity interest in a business association or financial organization, including a security entitlement under title 47, chapter 8, is presumed

abandoned 2 years, instead of 3, after any of the following, whichever occurs first:

- (a) The date of the most recent dividend, stock split, or other distribution that is unclaimed by the apparent owner.
 - (b) The date of the second mailing of a statement of account or other notification or communication that was returned as undeliverable.
 - (c) The date the holder discontinued mailings, notifications, or communications to the apparent owner.
- Any dividend, profit, distribution, interest, redemption, payment on principal, or other sum held or owing by a business association for or to its shareholder, certificate holder, member, bondholder, or other securityholder who has not claimed it, or corresponded in writing with the business association concerning it, is presumed abandoned 2 years, instead of 3, after the date prescribed for payment or delivery.
 - Property in any individual retirement account, defined benefit plan, or other account or plan that qualifies for tax deferral under the income tax laws of the United States is presumed abandoned 2 years, instead of 3, after any of the following, whichever occurs first:
 - (a) The date of the distribution or attempted distribution of the property.
 - (b) The date of the required distribution as stated in the plan or trust agreement that governs the plan.
 - (c) If determinable by the holder, the date specified in the income tax laws of the United States by which distribution of the property must begin in order to avoid a tax penalty.
 - The principal on debt, other than a bearer bond or an original issue discount bond, of a business association or financial organization is presumed abandoned 2 years, instead of 3, after the maturity date and the interest on the debt is presumed abandoned 2 years, instead of 3, after the payment date.
 - A demand, savings, or time deposit, including a deposit that is automatically renewable, and any interest or dividends are presumed abandoned 3 years, instead of 5, after maturity or the date of the last indication by the owner of interest in the property, whichever occurs first.
 - Credits owed to a customer as a result of a retail business transaction are presumed abandoned 3 years, instead of 5, after the obligation accrued.
 - An amount owed by an insurance company on a life or endowment insurance policy or an annuity that has matured or terminated is presumed abandoned 3 years, instead of 5, after the obligation to pay arose or, in the case of a policy or annuity that is payable on proof of death, the amount is presumed abandoned 1 year, instead of 2, after the insured has attained, or would have attained if the insured were living, the limiting age under the mortality table on which the reserve is based.
 - A life or endowment insurance policy or annuity contract

not matured by actual proof of the death of the insured or annuitant according to the company's records is deemed matured and the proceeds are deemed due and payable and are presumed abandoned after 1 year, instead of 2, if all of the following conditions apply:

- (a) The insured has attained, or would have attained if the insured were living, the limiting age under the mortality table on which the reserve is based.
- (b) The policy was in force at the time the insured attained or would have attained the limiting age specified in subdivision (a) of this paragraph.
- (c) Neither the insured nor any other person who appears to have an interest in the policy within the last year, instead of 2 years, according to the company's records has assigned, readjusted, or paid premiums on the policy or subjected the policy to a loan, corresponded in writing with the company concerning the policy or otherwise indicated an interest as evidenced by a memorandum or any other record on file with and prepared by an employee of the company.

- Property that is held by a court, government or governmental subdivision, agency or instrumentality, except for support as defined in section 25-500 or for spousal maintenance, is presumed abandoned 2 years, instead of 3, after the property becomes distributable.
- Any amount that is payable on a check, draft, or similar instrument on which a financial organization or business association is directly liable, including a cashier's check and a certified check, and that has been outstanding for more than 3 years, instead of 5, after the check, draft, or similar instrument was payable or after issuance if payable on demand is presumed abandoned unless within 3 years, instead of 5, the owner has communicated in writing with the financial organization or business association concerning the check, draft or similar instrument or otherwise indicated an interest as evidenced by a memorandum or any other record on file and prepared by an employee of the financial organization or business association.
- All other property is presumed abandoned 3 years, instead of 5, after the owner's rights to demand the property or after the obligation to pay or distribute the property arises, whichever occurs first.
- Excess proceeds deposited with the county Treasurer pursuant to section 33-812 are presumed abandoned if the monies remain with the Treasurer for at least 2 years, instead of 3, from the date of deposit and there is no pending application for distribution.

With this new legislation a one time 2009 supplemental report will need to be filed that includes all of the reportable property as of June 30, 2009 using the new dormancy periods. This supplemental report is due on or before June 1, 2010. For life insurance companies supplemental reports are not necessary; instead they should report as usual on May 1, 2010, also using the new dormancy periods. No other reporting dates have been changed. Due diligence is required for all supplemental reports 90 days before the report is filed. For the June 1, 2010 supplemental report the department may not grant any extensions. More information on this bill is available on Arizona's unclaimed property website, www.azunclaimed.gov/NewsAndUpdates.html.

CALIFORNIA

HB 1291 effective 1/1/10 (unless otherwise noted):

Notification requirements have been revised, holders are required to send due diligence notices to owners of property valued at \$50 or greater before reporting it. This requirement is designed to give owners notification that their property is in danger of being turned over to the state and to ultimately reunite more owners with their property. The notice needs to have a heading centered at the top of the letter that is either in bold or 2 font sizes larger than the text of the letter that states, "THE STATE OF CALIFORNIA REQUIRES US TO NOTIFY YOU THAT YOUR UNCLAIMED PROPERTY MAY BE TRANSFERRED TO THE STATE IF YOU DO NOT CONTACT US" or other substantially similar language. All due diligence letters should be sent 6 to 12 months before the property is reportable (not transferred or remitted); this way due diligence will be conducted before property is reported to California. Also, due diligence letters can now be sent electronically, where the owner's consent has been obtained. Owners can respond to due diligence letters by a phone call or electronic communication to rebuff the presumption of abandonment. Holders can deduct up to a \$2.00 service charge for administrative costs associated with sending due diligence letters.

For holders to be relieved of liability or indemnified for the property escheated to California, the holder must have complied with the requirements of sending due diligence letters to the owners. Holders will be relieved of all liability when they have substantially complied with the due diligence notification provisions of California's unclaimed property law.



This provision is effective January 1, 2011, when a new account or safe deposit box is opened with a bank or financial organization, the bank needs to provide a notice informing the owner that their property can be escheated to the appropriate state if no activity occurs in the account within the state specified dormancy period.

Contents of safe deposit boxes or other safekeeping repositories will not escheat if the owner has a savings or checking account with the holder which is active and not subject to escheat. Holders are required to send a due diligence notice to owners of safe deposit boxes before escheating the property. Safe box contents should not be escheat if the owner has an active savings or checking account. Similarly, various deposits and accounts held with business associations should not escheat if the owner has an active IRA or similar account established by Internal Revenue Service laws with that institution.

The Controller may postpone the date for payment or delivery of escheatable property, and the date for any report required, upon his or her own motion or upon written request by any person required to pay or deliver the property or file a report. Before this legislation, the authority to grant an extension was only possible for the notice report. Now if the notice report is extended, then the remit report is correspondingly also extended as it is due 7 to 7.5 months after the initial notice report. Additionally, this legislation also allows for the extension of the remit report and the corresponding delivery of property even when there has not been an extension on the notice report.

Interest payable to the Controller is limited if a holder has failed to file a report in a required manner, but has timely paid or delivered the property to the Controller. If a holder is non-responsive to requests to correct any problems with the report, the holder is now subject to interest with a limit of up to \$10,000. This limit applies only if the holder pays or delivers the property in a timely manner. More information is available on the California State Controller's Office website at www.sco.ca.gov/Files-UPD/outreach_rptg_hol_news2009_winter.pdf.

HAWAII

HB 2559 effective 7/1/09: This legislation establishes a new Uniform Unclaimed Property Act based on the Uniform Unclaimed Property Act of 1995. The entire legislation can be reviewed at [www.capitol.hawaii.gov/session2008/bills/HB2559_SD1 .htm](http://www.capitol.hawaii.gov/session2008/bills/HB2559_SD1.htm).

ILLINOIS

HB 2636 effective 7/1/2009: Limits fees that can be charged to assist in recovery of pre-escheat property to 25% for living owners and 33% for deceased owners. Legislation requires written disclosure discussing eventual delivery to state administered unclaimed property program and the ability to recover from the program without a fee and other required disclosures.

LOUISIANA

HB 65 adopted 6/18/2009: R.S. 156(7) is amended to include, as a form of property subject to state's custody, cashier's checks, teller's checks, or other official bank issued checks purchased in the state or when the issuer has its principal place of business in the state and the issuer's records do not show the state where the instrument was purchased or when the instrument was purchased in a state that does not provide for the escheat or custodial taking of the property.

NEBRASKA

LB 432 adopted 5/26/2009: Records, kept in regards to the Uniform Disposition of Unclaimed Property Act, of social security numbers, dates of birth, amounts due, and last-known addresses of owners shall be subject to the same confidentiality as tax returns information held by the Department of Revenue, except the Auditor of Public Accounts shall have unrestricted access.

Professional finder's fees are limited to 10 percent of the dollar amount of the property presumed abandoned. Claiming such a fee requires disclosing to the owner the details of the property and the fact that it may be claimed individually from the state free of charge.

NEVADA

SB 313 adopted 5/29/2009: The following property will not be considered abandoned because of inactivity or failure to make a demand: An account or asset managed through a guardianship; an account blocked at the direction of a court; a trust account established to address a special need; a qualified income trust account; a trust account established for tuition purposes; a trust account established on behalf of a client; or an account of fund established to meet the costs of burial.

SB 418 adopted 6/4/2009: The period for the Administrator of Unclaimed Property to bring an action to enforce provisions relating to unclaimed property is reduced from 10 to 7 years.

NORTH CAROLINA

HB 723 adopted 6/26/2009: Holders of property presumed abandoned reporting 50 or more properties shall file the report in an electronic format. Holders reporting less than 50 properties may also file electronically. All electronic reporters may file an electronically signed affidavit to comply with this section.

SB 1021 adopted 7/17/2009: Fee agreements to locate property must clearly state the fees and costs for services. The total fees and costs are limited to the lesser of \$1,000 and 20% of the value of the property recovered. The agreement must disclose that the property is being held by the North Carolina Department of State Treasurer's Unclaimed Property Program. The finder may receive cash property, but not tangible property or securities on behalf of the owner and shall

not be authorized to negotiate a check made payable to the owner. Failure to comply with the provisions of this section renders agreements void and unenforceable and constitutes an unfair or deceptive trade practice.

NORTH DAKOTA

HB 1137 adopted 3/19/2009: Agreements to locate property that are entered on or after August 1, 2009, are enforceable only if the agreement: Is in writing; sets forth the nature of the property; describes the services to be performed; states the value of the property; describes the amount of the fee; is signed by the apparent owner; states that the property, absent the program, would go to the state and could be recovered free of charge; and provides contact information for the state-administered unclaimed property program.

OKLAHOMA

HB 1780 effective 11/1/2009: Reports due to the State Treasurer for unclaimed property must be filed before November 1 of each year for property reportable as of the proceeding July 1, instead of September 1.

The state Treasurer is authorized to purchase services, including legal services, in order to locate and effect the delivery of property and related owner information to assist the state Treasurer in the Treasurer's duties related to the administration of Oklahoma's unclaimed property act. The purchase of such services shall be chosen by solicitation of proposals on a competitive basis, but shall be exempt from the provision so The Oklahoma Central Purchasing Act.

The state Treasurer shall not pay monies to rightful owners, of their heirs, devisees, and assigns, exceeding the reimbursement amount the Treasurer shall receive from the Mineral Owner's Fund attributable to such payments to rightful owners, or their heirs, devisees, and assigns.

Any agreements between state agencies and financial institutions shall be subject to prior approval by the state Treasurer.

TEXAS

SB 1589 adopted 5/27/2009: Reports of unclaimed property must know include, if known by the holder, the driver's license or state identification number and email address of each apparent owner.

Holders of unclaimed property holding property on June 30 valued at more than \$250 shall on or before the following August 1, mail to the last known address of the known owner a notice stating the holder holds the property and the holder may be required to deliver the property to the comptroller on or before November 1 if it is not claimed. This does not apply if the holder has already provided notice or does not have an address for the owner. The holder may charge the cost of postage as a service charge against the property.

UTAH

SB 270 effective 7/1/11: Gift certificates, gift cards, and credit memos are exempted from the unclaimed property act.

VERMONT

HB 588 effective 7/1/09: Property held by a museum that is not subject to a loan agreement and has been held for 10 or more years and has remained unclaimed during that time shall be deemed to be abandoned. The property shall become the property of the museum, provided the museum has given notice as required. Property in the possession of a museum subject to a loan agreement shall be deemed to be donated to the museum, provided no claim is made after the termination of the loan, the museum adheres to notification requirements, and no assertion of title is filed within the required timeframe responding to the notices.

SB 26 adopted 5/9/2009: If the Treasurer holds unclaimed property in the name of a deceased owner valued at less than \$5,000 previously from \$2,500, the Treasurer may deliver the property in accordance with the probate court decree of distribution.

If the Treasurer holds unclaimed property valued at \$250 or less which more than one person owns, the Treasurer may deliver it proportionately to each of the persons who own the property and file a claim when it has been listed for less than one year. When it has been listed for a year or more, the Treasurer may deliver it to the first person who files a claim and who owns at least a share of the property.

SB 96 effective 5/7/2009: The Treasurer may withhold information concerning uncashed checks and other similar payment information prior to the property being presumed abandoned.

Property held by the Treasurer valued at \$250.00 or less which more than one person owns may be delivered proportionately to each owner or if the property has been listed for a year or more, to the first person who files a claim and owns at least a share of the property. 27 V.S.A. § 1259(c) (limitation on actions for unclaimed property valued at \$100.00 or less) is repealed.

To subscribe, ask questions, or submit suggestions, please send an email to newsletter@venio.com.