

One Hundred Fifth Legislature - First Session - 2017

Introducer's Statement of Intent

LB141

Chairperson: Senator Brett Lindstrom

Committee: Banking, Commerce and Insurance

Date of Hearing: March 06, 2017

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

The Revised Uniform Unclaimed Property Act changes the existing law in the following ways:

- Clarifies which types of intangible property are covered by the act. Included specifically are virtual currency, payroll cards, stored-value cards, municipal bonds, health savings accounts, commissions, employee reimbursements and custodial accounts for minors.
- Improved definitions of tax-advantaged and other deferred accounts: There is a clearer definition of when tax-advantaged and other deferred investments are deemed to be abandoned property. This protects owners' assets from being taken out of accounts and turned over to the state prematurely.
- Better protections for invested accounts: Administrators must keep securities accounts invested for a minimum of three years in order to protect the owner from loss of earnings and increases in value.
- Clearer notice provisions: RUUPA contains clearer requirements for how and when holders must provide notice to owners of unclaimed property.
- Income credited to owners: Any income or gains generated from invested assets held in custody are credited to the owner.
- Provisions governing the confidentiality/security of owner information: For the first time, the RUUPA includes confidentiality and security provisions to protect owners' sensitive personal information.
- Clearer provision on owner/locator contracts: The RUUPA clarifies when an owner's contract with a locator service to recover unclaimed property is enforceable and when it is void. The Act also allows an owner's agent to recover property on behalf of the owner.
- RUUPA expands remedies for holders: If an administrator conducts an examination and determines that a holder is liable for unreported property, then the holder has several remedies under RUUPA. The Act provides for informal conferences between a holder and the administrator, as well as administrative and judicial review. These provisions do not currently exist in the uniform act.
- The Act regularizes the manner in which life insurance companies and the administrator can determine whether an insured is dead so that proceeds can be distributed to beneficiaries or to the administrator.

Principal Introducer: _____

Senator Matt Williams