

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 406

FINAL READING

Introduced by Gragert, 40.

Read first time January 18, 2019

Committee: Government, Military and Veterans Affairs

1 A BILL FOR AN ACT relating to the Uniform Disposition of Unclaimed
2 Property Act; to amend sections 24-345, 25-2717, 69-1311, 69-1317,
3 and 69-1321, Reissue Revised Statutes of Nebraska; to change
4 provisions relating to abandoned property notices, disposition of
5 funds, transfers of funds, and duties of the State Treasurer; to
6 harmonize provisions; to repeal the original sections; and to
7 declare an emergency.
8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 24-345, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 24-345 All money, other than witness fees, fines, penalties,
4 forfeitures and license money, that comes into the possession of the
5 clerk of the district court for any county in the State of Nebraska by
6 virtue of his or her office and remains in the custody of the clerk of
7 the district court, uncalled for by the party or parties entitled to the
8 money for a period of three years following the close of litigation in
9 relation to the money, shall be remitted by the clerk of the district
10 court to the State Treasurer on the first Tuesday in January, April,
11 July, or October, respectively, following the expiration of the three-
12 year period, for deposit in the Unclaimed Property Escheat Trust Fund a
13 ~~separate trust fund~~ pursuant to section 69-1317. Such payment shall
14 release the bond of the clerk of the district court making such payment
15 from all liability for the money so paid in compliance with this section.

16 Sec. 2. Section 25-2717, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 25-2717 If any fees, money, condemnation awards, legacies, devises,
19 sums due creditors, or costs due or belonging to any heir, legatee, or
20 other person or persons have not been paid to or demanded by the person
21 or persons entitled to the funds within three years from the date the
22 funds were paid to the county judge or his or her predecessors in office,
23 it shall be the duty of the county judge to notify the State Treasurer of
24 the fees, money, condemnation awards, legacies, devises, sums due
25 creditors, or costs remaining. When directed by the State Treasurer, the
26 county judge shall remit the fees, money, condemnation awards, legacies,
27 devises, sums due creditors, or costs to the State Treasurer for deposit
28 in the Unclaimed Property Escheat Trust Fund a ~~separate trust fund~~
29 pursuant to section 69-1317. Such payment shall release the bond of the
30 county judge making such payment of all liability for such fees, money,
31 condemnation awards, legacies, devises, sums due creditors, and costs due

1 to heirs, legatees, or other persons paid in compliance with this
2 section.

3 Sec. 3. Section 69-1311, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 69-1311 (a) Between March 1 and March 10 of each year the State
6 Treasurer shall cause notice to be published once in an English language
7 legal newspaper of general circulation in the county in this state in
8 which is located the last-known address of any person to be named in the
9 notice. If no address is known, then the notice shall be published in a
10 legal newspaper having statewide circulation.

11 (b) The published notice shall be entitled Notice to Owners of
12 Abandoned Property, and shall contain:

13 (1) The names in alphabetical order and counties of last-known
14 addresses, if any, of persons listed in the report and entitled to notice
15 as provided in subsection (a) of this section.

16 (2) A statement that information concerning the amount or
17 description of the property and the name and address of the holder may be
18 obtained by any person possessing an interest in the property by
19 addressing an inquiry to the State Treasurer.

20 (c) The State Treasurer is not required to publish in such notice
21 any item of less than fifty ~~twenty-five~~ dollars unless he or she deems
22 such publication to be in the public interest.

23 (d) Within one hundred twenty days from the receipt of the report
24 required by section 69-1310, the State Treasurer shall mail a notice to
25 each person having an address listed therein who appears to be entitled
26 to property of the value of fifty ~~twenty-five~~ dollars or more presumed
27 abandoned under the Uniform Disposition of Unclaimed Property Act.

28 (e) The mailed notice shall contain:

29 (1) A statement that, according to a report filed with the State
30 Treasurer, property is being held to which the addressee appears
31 entitled.

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

4 (3) A statement that, if satisfactory proof of claim is presented by
5 the owner to the State Treasurer, arrangements will be made to transfer
6 the property to the owner as provided by law.

7 (f) This section is not applicable to sums payable on traveler's
8 checks or money orders presumed abandoned under section 69-1302.

9 Sec. 4. Section 69-1317, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 69-1317 (a)(1) Except as otherwise provided in this subdivision, all
12 funds received under the Uniform Disposition of Unclaimed Property Act,
13 including the proceeds from the sale of abandoned property under section
14 69-1316, shall be deposited by the State Treasurer into the Unclaimed
15 Property Escheat Trust Fund ~~in a separate trust fund~~ from which he or she
16 shall make prompt payment of claims allowed pursuant to the act and
17 payment of any expenses related to unclaimed property ~~auditing expenses~~
18 ~~associated with the receipt of abandoned property~~. All funds received
19 under section 69-1307.05 shall be deposited by the State Treasurer into
20 the Unclaimed Property Escheat Trust Fund ~~in a separate life insurance~~
21 ~~corporation demutualization trust fund, which is hereby created,~~ from
22 which he or she shall make prompt payment of claims regarding such funds
23 allowed pursuant to the act. Transfers from the Unclaimed Property
24 Escheat Trust Fund ~~separate life insurance corporation demutualization~~
25 ~~trust fund~~ to the General Fund may be made at the direction of the
26 Legislature. Before making the deposit he or she shall record the name
27 and last-known address of each person appearing from the holders' reports
28 to be entitled to the abandoned property, the name and last-known address
29 of each insured person or annuitant, and with respect to each policy or
30 contract listed in the report of a life insurance corporation, its
31 number, the name of the corporation, and the amount due. The record shall

1 be available for public inspection during business hours. The separate
2 life insurance corporation demutualization trust fund terminates on the
3 effective date of this act and the State Treasurer shall transfer any
4 money in the fund on such date to the Unclaimed Property Escheat Trust
5 Fund.

6 The record shall not be subject to public inspection or available
7 for copying, reproduction, or scrutiny by commercial or professional
8 locators of property presumed abandoned who charge any service or
9 finders' fee until twenty-four months after the names from the holders'
10 reports have been published or officially disclosed. Records concerning
11 the social security number, date of birth, and last-known address of an
12 owner shall be treated as confidential and subject to the same
13 confidentiality as tax return information held by the Department of
14 Revenue, except that the Auditor of Public Accounts shall have
15 unrestricted access to such records.

16 A professional finders' fee shall be limited to ten percent of the
17 total dollar amount of the property presumed abandoned. To claim any such
18 fee, the finder shall disclose to the owner the nature, location, and
19 value of the property, provide notice of when such property was reported
20 to the State Treasurer, and provide notice that the property may be
21 claimed by the owner from the State Treasurer free of charge. To claim
22 any such fee if the property has not yet been abandoned, the finder shall
23 disclose to the owner the nature, location, and value of the property,
24 provide notice of when such property will be reported to the State
25 Treasurer, if known, and provide notice that, upon receipt of the
26 property by the State Treasurer, such property may be claimed by the
27 owner from the State Treasurer free of charge.

28 (2) The unclaimed property records of the State Treasurer, the
29 unclaimed property reports of holders, and the information derived by an
30 unclaimed property examination or audit of the records of a person or
31 otherwise obtained by or communicated to the State Treasurer may be

1 withheld from the public. Any record or information that may be withheld
2 under the laws of this state or of the United States when in the
3 possession of such a person may be withheld when revealed or delivered to
4 the State Treasurer. Any record or information that is withheld under any
5 law of another state when in the possession of that other state may be
6 withheld when revealed or delivered by the other state to the State
7 Treasurer.

8 Information withheld from the general public concerning any aspect
9 of unclaimed property shall only be disclosed to an apparent owner of the
10 property or to the escheat, unclaimed, or abandoned property
11 administrators or officials of another state if that other state accords
12 substantially reciprocal privileges to the State Treasurer.

13 ~~(b)(1) On or after October 6, 1992, the State Treasurer shall~~
14 ~~periodically transfer any balance in excess of an amount not to exceed~~
15 ~~five hundred thousand dollars from the separate trust fund to the General~~
16 ~~Fund no less frequently than on or before November 1 and May 1 of each~~
17 ~~year, except that the total amount of all such transfers shall not exceed~~
18 ~~five million dollars.~~

19 (b) (2) On or before November 1 of each year, the State Treasurer
20 shall distribute transfer any balance in excess of one million an amount
21 ~~not to exceed five hundred thousand~~ dollars from the Unclaimed Property
22 Escheat Trust Fund ~~separate trust fund~~ to the permanent school fund.

23 (c) Before making any deposit to the credit of the permanent school
24 fund or the General Fund, the State Treasurer may deduct (1) any costs
25 related to unclaimed property in connection with sale of abandoned
26 property, (2) any costs of mailing and publication in connection with any
27 ~~abandoned property,~~ and (3) reasonable service charges and place such
28 funds in the Unclaimed Property Cash Fund which is hereby created.
29 Transfers from the fund to the General Fund may be made at the direction
30 of the Legislature. Any money in the Unclaimed Property Cash Fund
31 available for investment shall be invested by the state investment

1 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
2 State Funds Investment Act.

3 Sec. 5. Section 69-1321, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 69-1321 (a) The State Treasurer or his or her designee, after
6 receiving reports of property deemed abandoned pursuant to the Uniform
7 Disposition of Unclaimed Property Act, may decline to receive any
8 property reported which he or she deems to have a value less than the
9 cost of giving notice and holding sale, or he or she may, if he or she
10 deems it desirable because of the small sum involved, postpone taking
11 possession until a sufficient sum accumulates. Unless the holder of the
12 property is notified to the contrary within one hundred twenty days after
13 filing the report required under section 69-1310, the State Treasurer or
14 his or her designee shall be deemed to have elected to receive the
15 custody of the property.

16 (b) A holder may pay or deliver property before the property is
17 presumed abandoned with written consent of the State Treasurer or his or
18 her designee and upon conditions and terms prescribed by the State
19 Treasurer or his or her designee. Property paid or delivered under this
20 subsection shall be held by the State Treasurer and is not presumed
21 abandoned until such time as it otherwise would be presumed abandoned
22 under the act.

23 Sec. 6. Original sections 24-345, 25-2717, 69-1311, 69-1317, and
24 69-1321, Reissue Revised Statutes of Nebraska, are repealed.

25 Sec. 7. Since an emergency exists, this act takes effect when
26 passed and approved according to law.