



**TESTIMONY OF SUSAN SOMMERFELD
DIRECTOR – UNCLAIMED PROPERTY
North Dakota Department of Trust Lands**

**House Bill 1149
Senate Industry and Business
March 17, 2025**

Chairman Barta and members of the Senate Industry and Business Committee, my name is Susan Sommerfeld and I Director of the Unclaimed Property Division of the North Dakota Department of Trust Lands. I am here to testify in support of House Bill 1149.

The Unclaimed Property Division administers and enforces the North Dakota Revised Uniform Unclaimed Property Act, more commonly referred to as RUUPA which can be found at N.D.C.C. ch. 47-30.2. RUUPA is designed is to protect the people of North Dakota by ensuring abandoned property is returned to its rightful owner. For decades, it has been recognized as an appropriate policy for lost or abandoned funds to be used for the public good. In North Dakota ("State"), unclaimed property and any income generated from it is invested in the Common Schools Trust Fund to help fund K-12 education, until such time it can be returned to the rightful owner.

Unclaimed property, also referred to as abandoned property, refers to any financial asset or property that remains unclaimed by its rightful owner for a specific period, during which time the holder of the property cannot locate the owner. A holder of unclaimed property refers to any person obligated to hold or pay or deliver to an owner property that is unclaimed. Holders are required by law to deliver unclaimed property to the custody of the state for safekeeping until the rightful owner steps forward to claim the property. Ownership of these monetary properties always remains with the rightful owner. The state simply takes custody until such time as the owner can be reunited with their funds.

Common forms of unclaimed property include savings or checking accounts, stocks, uncashed dividends or payroll checks, refunds, traveler's checks, trust distributions, unredeemed money orders or, insurance payments or refunds, life insurance policies, annuities, certificates of deposit, customer overpayments, utility security deposits, mineral royalty payments, and contents of safe deposit boxes.

As some of you may recall, during the 67th Legislative Assembly, Senate Bill 2048 was passed which resulted in the complete repeal of N.D.C.C. chapter 47-30.1 and replacement with RUUPA at N.D.C.C. chapter 47-30.2, better known as RUUPA. During that process, the Unclaimed Property Division worked very closely with the Uniform Law Commission ("Commission") to ensure that North Dakota's version of RUUPA did not deviate from the intent of the Commission. By doing this, we were granted "Uniform" status by the Commission.

Over the last few years, we have discovered several areas of N.D.C.C. chapter 47-30.2 requiring modification to ensure we can better serve the citizens of North Dakota by protecting abandoned property and returning it to its rightful owner. The proposed changes have already been reviewed and approved by the Commission, which would allow North Dakota to maintain its “uniform” status.

HB 1149 proposes amendments to existing law as follows:

1. The amendment to N.D.C.C. § 47-30.2-04 adds dormancy periods for several types of properties. The first is virtual currency. This amendment defines a three-year dormancy for such properties. Until now, we have been using the catch all dormancy period of three years. Unclaimed virtual currency has become prevalent enough to warrant its own dormancy period.

Additionally, it adds dormancy periods for excess proceeds from the sale of abandoned vehicles and tax lien foreclosures. These two types of properties are added simply to align with their respective statutes.

2. The amendment to N.D.C.C. § 47-30.2-24 pertains to record retention requirements during the process of a voluntary disclosure. Voluntary disclosure is essentially a self-audit performed by a holder of unclaimed property versus an examination performed by the state. Record retention for voluntary disclosure by a holder would be the same as in an examination.
3. The amendment to N.D.C.C. § 47-30.2-32 pertains to the liquidation of virtual currency before delivering to the custody of the state. Over the last few years, Unclaimed Property in the form of virtual currency has become more and more prevalent not only in North Dakota, but across the country as well. North Dakota is not currently equipped to take custody of virtual currency in its native form, so this amendment directs holders to liquidate the virtual currency and remit the cash value to the state to hold on behalf of the owner.
4. The amendment to N.D.C.C. § 47-30.2-39 tolls the statute of limitations during a voluntary disclosure to align with the requirements of an examination. In other words, the time in which the state can bring an action for enforcement of RUUPA is temporarily paused as the holder works through its self-audit.
5. The amendment to N.D.C.C. § 47-30.2-50 will give the Unclaimed Property Division greater flexibility in returning funds to its rightful owner. This amendment would allow us to match our records to the records of the tax department for example and directly deliver property without the owner having to go through the claim process. This process has already been implemented by multiple states and has been very successful.
6. The amendment to N.D.C.C. § 47-30.2-52 adds clarification to how property can be intercepted when there is enforceable debt. Right now, the law allows for child support, the tax department and the courts to intercept property for owners who have a debt owed to the state. This change further clarifies that there must be an enforceable execution of a judgement in place for this process to happen outside of the state agencies.

7. The amendment to N.D.C.C. § 47-30.2-63 removes a very burdensome and broad requirement pertaining to record sharing during a multi-state examination. This change will allow our third-party examiners to exchange information when multiple states are participating in the same audit.

Mr. Chairman and members of the committee, thank you for your time today. I would respectfully request a Do Pass vote on HB 1149 and would stand for any questions you may have.