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Sixty-seventh
Legislative Assembly
of North Dakota

FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2048

Introduced by

Industry, Business and Labor Committee

(At the request of the Commission on Uniform State Laws)

A BILL for an Act to create and enact chapter 47-30.2 of the North Dakota Century Code, relating to the Revised Uniform Unclaimed Property Act; to amend and reenact sections 9-12-29, 10-19.1-123, 10-33-114, and 15-02-05.2, subsection 3 of section 23.1-15-07, subsections 8 and 9 of section 26.1-55-02, sections 26.1-55-04, 27-05.2-04, and 30.1-20-14, subsection 3 of section 35-20-17, sections 35-36-05, 38-13.1-03, 38-18.1-03, and 44-04-18.25, subsection 3 of section 47-16-07.1, section 54-27-15.1, subsection 6 of section 57-38-57, subsection 8 of section 57-39.2-23, and section 60-01-34 of the North Dakota Century Code, relating to abandoned and unclaimed property; to repeal chapter 47-30.1 of the North Dakota Century Code, relating to the uniform unclaimed property act; to provide for a report; to provide a penalty; and to provide a continuing appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 9-12-29 of the North Dakota Century Code is amended and reenacted as follows:

9-12-29. Claim of money by creditor - Extinguishment of lien.

The creditor is entitled to claim the amount of money from the county treasurer within nine months of the date of deposit upon a showing to the county treasurer of a satisfaction of the lien, encumbrance, or cloud which includes an indication by the recorder that the satisfaction has been duly recorded. If the creditor does not claim the money in nine months from the date of first publication of the notice, the money, a copy of the debtor's affidavit, and a copy of the published notice must be forwarded by the county treasurer to the state land commissioner for deposit to the credit of the state of North Dakota for the use and benefit of the common schools trust fund of the state. At the same time these items are forwarded to the state land commissioner, the county treasurer shall record in the office of the recorder a notice to the effect that the lien, encumbrance, or cloud affecting or related to the title to the real property, giving

the specific legal description of the property, has been discharged by the procedures set out in section 9-12-28 and this section. The debtor shall pay the recorder's fees for recording the county treasurer's notice.

At any time after the original nine-month period, the creditor, or the creditor's heirs, successors, or assigns, may claim the full amount of the original deposit without any interest or penalty from the state administrator of abandoned property in the manner specified in chapter ~~47-30.1~~47-30.2 for claiming the proceeds of other abandoned and unclaimed property.

SECTION 2. AMENDMENT. Section 10-19.1-123 of the North Dakota Century Code is amended and reenacted as follows:

10-19.1-123. Deposit with administrator of abandoned property of amount due certain shareholders - Appropriation.

Upon dissolution of a corporation, the portion of the assets distributable to a person who is unknown or cannot be found must be reduced to money and deposited with the administrator of abandoned property for disposition pursuant to chapter ~~47-30.1~~47-30.2. The amount deposited is appropriated to the administrator of abandoned property and must be paid over to the person or a legal representative, upon proof satisfactory to the administrator of abandoned property of a right to payment.

SECTION 3. AMENDMENT. Section 10-33-114 of the North Dakota Century Code is amended and reenacted as follows:

10-33-114. Deposit with administrator of abandoned property of amount due certain persons - Appropriation.

Upon dissolution of a corporation, the portion of the assets distributable to a person who is unknown or cannot be found must be reduced to money and deposited with the administrator of abandoned property for disposition pursuant to chapter ~~47-30.1~~47-30.2. The amount deposited is appropriated to the administrator of abandoned property and must be paid over to the person or a legal representative, upon proof satisfactory to the administrator of abandoned property of a right to payment.

SECTION 4. AMENDMENT. Section 15-02-05.2 of the North Dakota Century Code is amended and reenacted as follows:

15-02-05.2. Administrator of abandoned property - Employment.

The commissioner of university and school lands shall act as or employ an administrator of abandoned property and shall employ other personnel as necessary for the proper administration of chapter ~~47-30.1~~47-30.2 and shall set their salaries, within limits of legislative appropriations. All public officers shall assist the administrator in carrying out the administration of chapter ~~47-30.1~~47-30.2.

SECTION 5. AMENDMENT. Subsection 3 of section 23.1-15-07 of the North Dakota Century Code is amended and reenacted as follows:

3. From the proceeds of the sale of an abandoned motor vehicle, the unit of government or the commercial towing service may reimburse itself for the cost of towing, preserving, and storing the vehicle, and for all notice and publication costs incurred under this chapter. Any remainder from the proceeds of a sale must be held for the owner of the vehicle or entitled lienholder or secured parties for ninety days and then must be delivered to the administrator of the state abandoned property office in accordance with chapter ~~47-30.1~~47-30.2.

SECTION 6. AMENDMENT. Subsection 8 of section 26.1-55-02 of the North Dakota Century Code is amended and reenacted as follows:

8. Within twelve months following a potential match identified as a result of a death master file or revised death master file match, an insurer shall:
   a. Notify the state abandoned property office that a life insurance policy beneficiary or retained asset accountholder has not submitted and completed a claim with the insurer and that the insurer has complied with subsections 2 and 3 and has been unable, after good-faith efforts documented by the insurer, to contact the retained asset accountholder, beneficiary, or beneficiaries and unable to complete the necessary payment; and
   b. Submit any unclaimed life insurance benefits or unclaimed retained asset accounts, plus any applicable accrued interest, to the state abandoned property office under chapter ~~47-30.1~~47-30.2.

SECTION 7. AMENDMENT. Subsection 9 of section 26.1-55-02 of the North Dakota Century Code is amended and reenacted as follows:

9. Except as otherwise provided under this chapter, chapter ~~47-30.1~~47-30.2 applies to the escheatment of unclaimed life insurance benefits or unclaimed retained asset accounts.

SECTION 8. AMENDMENT. Section 26.1-55-04 of the North Dakota Century Code is amended and reenacted as follows:

26.1-55-04. Application.

~~Section 47-30.1-07 and chapter 47-30.1~~Chapter 47-30.2, relating to unclaimed property, ~~apply~~applies to a contract or policy to the extent the laws do not conflict with this chapter.

SECTION 9. AMENDMENT. Section 27-05.2-04 of the North Dakota Century Code is amended and reenacted as follows:

27-05.2-04. Clerk to keep record of fees - Monthly report to county auditor or state treasurer - Continuing appropriation.

A clerk of the district court providing clerk services in accordance with subsection 2 or 6 of section 27-05.2-02 shall keep a public record of all money received as fees for services rendered as clerk. Within three days after the close of each calendar month, the clerk shall file with the county auditor a statement under oath showing the amount of fees received as clerk since the date of the clerk's last report and within three days thereafter the clerk shall deposit with the county treasurer the total sum of such fees which must be used for facilities, except fees that the clerk is directed to deposit with the state treasurer or is authorized expressly to retain. Within three days after the close of each calendar month, a clerk who has become a state employee under subsection 3 or 4 of section 27-05.2-02 shall file with the state treasurer a statement under oath showing the amount of fees received by the clerk since the date of the clerk's last report. Within three days thereafter, the clerk shall deposit with the state treasurer the total sum of fees required to be deposited in the general fund or in a designated special fund. The clerk shall forward to the county treasurer any fees received under section 27-05.2-03 which are not required to be deposited in the state general fund or a designated special fund. Those fees must be used for facilities. A special court receivables fund is established in the state treasury for purposes of depositing any money received by the clerk which is not required to be deposited in the state general fund, a different special fund, or the county treasury and which is received as bail or restitution, or otherwise received pursuant to an order of the court. Moneys in the special fund are appropriated to the judicial branch on a continuing basis for

purposes of refunding bail, forwarding restitution amounts to the entitled recipient, or otherwise making payments as directed by an order of the court. To facilitate making payments from the special fund, the clerk may establish a special account in the Bank of North Dakota or in a banking institution designated as a depository of public funds under chapter 21-04. If money deposited as bail is forfeited, the clerk shall submit the appropriate sum to the state treasurer for deposit in the state general fund. If the clerk is unable to make payments from the special account because the address of the recipient is unknown or the recipient cannot otherwise be located, the clerk shall dispose of the deposited money in accordance with chapter ~~47-30.1~~47-30.2.

SECTION 10. AMENDMENT. Section 30.1-20-14 of the North Dakota Century Code is amended and reenacted as follows:

30.1-20-14. (3-914) Disposition of unclaimed assets.

If an heir, devisee, or claimant cannot be found, the personal representative shall distribute the missing person's share to the missing person's conservator, if any, otherwise to the unclaimed property administrator under chapter ~~47-30.1~~47-30.2.

SECTION 11. AMENDMENT. Subsection 3 of section 35-20-17 of the North Dakota Century Code is amended and reenacted as follows:

3. A lienholder may sell a mobile home thirty days after the lienholder mails notice of the lien to the owner of the mobile home and secured parties of record. After the sale, the lienholder shall forward to the former owner any money resulting from the sale of the mobile home in excess of the amount owed to the lienholder for accrued rents, storage, and removal relating to the mobile home. If the location of the former mobile home owner is not known, any money from a sale in excess of the amount owed is presumed abandoned under chapter ~~47-30.1~~47-30.2.

SECTION 12. AMENDMENT. Section 35-36-05 of the North Dakota Century Code is amended and reenacted as follows:

35-36-05. Sale of property - Application of proceeds.

At any time before the sale, the lessee may pay the amount necessary to satisfy the lien and redeem the lessee's property. If a sale is held, the owner shall satisfy the lien from the proceeds of the sale and hold the balance, if any, for delivery on demand to the lessee or any other recorded lienholder for a period of six months from the date of sale. Any amount not

claimed by the lessee from the owner within the six-month period is subject to the reporting requirements of section ~~47-30.1-08~~47-30.2-04.

SECTION 13. AMENDMENT. Section 38-13.1-03 of the North Dakota Century Code is amended and reenacted as follows:

38-13.1-03. Administration of trust.

The administration of the trust must comply with the appropriate provisions regulating trusts contained in title 59. Except as provided in this section, trustee or attorney's fees may not be paid from the trust proceeds. All bonuses, rental payments, royalties, and other income must be paid to the trustee until the trust is terminated and notice of its termination is given to all interested parties. The trustee shall distribute all moneys held in the trust to the person entitled to the money upon the order of the district court. A trust in favor of unlocatable owners must be kept in force until the unlocatable owners of the mineral interests in question have successfully claimed their share of the funds held in trust and have filed the notice as provided in section 38-13.1-04. The creation of a trust in favor of unlocatable owners does not affect the right of a surface owner who succeeds to ownership of a mineral interest upon its lapse under chapter 38-18.1. A person who succeeds to ownership under chapter 38-18.1 owns the mineral interest and the proceeds from the mineral interest from the date of succession. The trustee shall invest funds in a prudent manner. Upon receipt, fifty percent of the moneys paid to the trustee must be credited to the general fund of the county in which the mineral interest is located to defray the costs of administration. Funds held in trust are subject to the laws governing abandoned property as provided in chapter ~~47-30.1~~47-30.2.

SECTION 14. AMENDMENT. Section 38-18.1-03 of the North Dakota Century Code is amended and reenacted as follows:

38-18.1-03. When mineral interest deemed to be used.

1. A mineral interest is deemed to be used when:
   a. There are any minerals produced under that interest.
   b. Operations are being conducted thereon for injection, withdrawal, storage, or disposal of water, gas, or other fluid substances.
   c. In the case of solid minerals, there is production from a common vein or seam by the owners of such mineral interest.

d. The mineral interest on any tract is subject to a lease, mortgage, assignment, or conveyance of the mineral interest recorded in the office of the recorder in the county in which the mineral interest is located.

e. The mineral interest on any tract is subject to an order or an agreement to pool or unitize, recorded in the office of the recorder in the county in which the mineral interest is located.

f. A proper statement of claim is recorded as provided by section 38-18.1-04.

2. The payment of royalties, bonus payments, or any other payment to a named or unnamed interest-bearing account, trust account, escrow account, or any similar type of account on behalf of a person who cannot be located does not satisfy the requirements of this section and the mineral interest is not deemed to be used for purposes of this section. Interest on such account must be credited to the account and may not be used for any other purpose. A named or unnamed interest-bearing account, trust account, escrow account, or any similar type of account that has been in existence for three years is deemed to be abandoned property and must be treated as abandoned property under chapter ~~47-30.1~~47-30.2. A lease given by a trustee remains valid.

SECTION 15. AMENDMENT. Section 44-04-18.25 of the North Dakota Century Code is amended and reenacted as follows:

44-04-18.25. Value of property paid or delivered to the administrator of the state abandoned property office - Exempt record.

A record of the value of property paid or delivered to the administrator of the state abandoned property office under section ~~47-30.1-17~~47-30.2-21 is an exempt record.

SECTION 16. AMENDMENT. Subsection 3 of section 47-16-07.1 of the North Dakota Century Code is amended and reenacted as follows:

3. A lessor may apply security deposit money and accrued interest upon termination of a lease towards:

a. Any damages the lessor has suffered by reason of deteriorations or injuries to the real property or dwelling by the lessee's pet or through the negligence of the lessee or the lessee's guest.

b. Any unpaid rent.

c. The costs of cleaning or other repairs which were the responsibility of the lessee, and which are necessary to return the dwelling unit to its original state when the lessee took possession, reasonable wear and tear excepted.

Application of any portion of a security deposit not paid to the lessee upon termination of the lease must be itemized by the lessor. Such itemization together with the amount due must be delivered or mailed to the lessee at the last address furnished lessor, along with a written notice within thirty days after termination of the lease and delivery of possession by the lessee. The notice must contain a statement of any amount still due the lessor or the refund due the lessee. A lessor is not required to pay interest on security deposits if the period of occupancy was less than nine months in duration. Any amounts not claimed from the lessor by the lessee within one year of the termination of the lease agreement are subject to the reporting requirements of section ~~47-30.1-08~~47-30.2-04.

SECTION 17. Chapter 47-30.2 of the North Dakota Century Code is created and enacted as follows:

47-30.2-01. (102) Definitions.

As used in this chapter:

1. "Administrator" means the administrator of the state abandoned property office.
2. "Administrator's agent" means a person with which the commissioner contracts to conduct an examination under sections 47-30.2-54, 47-30.2-55, 47-30.2-56, 47-30.2-57, 47-30.2-58, 47-30.2-59, 47-30.2-60, 47-30.2-61, and 47-30.2-62 on behalf of the administrator. The term includes an independent contractor of the person and each individual participating in the examination on behalf of the person or contractor.
3. "Apparent owner" means a person whose name appears on the records of a holder as the owner of property held, issued, or owing by the holder.
4. "Board" means the board of university and school lands.
5. "Business association" means a corporation, joint stock company, investment company, partnership, unincorporated association, joint venture, limited liability company, business trust, trust company, land bank, safe deposit company, safekeeping depository, financial organization, insurance company, federally chartered entity, utility, sole proprietorship, or other business entity, whether or not for profit.

6. "Cashier's check" means a check that:
   a. Is purchased by a remitter and made payable to a designated payee;
   b. Is signed by an officer or employee of the financial organization;
   c. Authorizes payment of the amount shown on the check's face to the payee;
   d. Is a direct obligation of the financial organization; and
   e. Is provided to a customer of the financial institution or acquired from the financial institution for remittance purposes.
7. "Commissioner" means the commissioner of university and school lands.
8. "Confidential record" has the same meaning as defined in section 44-04-17.1.
9. "Department" means the department of trust lands.
10. "Domicile" means:
   a. For a corporation, the state of its incorporation;
   b. For a business association whose formation requires a filing with a state, other than a corporation, the state of its filing;
   c. For a federally chartered entity, the state of its home office; and
   d. For any other holder, the state of its principal place of business.
11. "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.
12. "Electronic mail" means a communication by electronic means, together with attachments, which is automatically retained and stored and may be readily accessed or retrieved.
13. "Financial organization" means a savings and loan association, building and loan association, savings bank, industrial bank, bank, banking organization, private banker, trust company, credit union, or an organization defined as a bank or banking organization under the laws of this state or of the United States.
14. "Game-related digital content" means digital content that exists only in an electronic game or electronic-game platform.
   a. The term includes:
      (1) Game-play currency such as a virtual wallet, even if denominated in United States currency; and

(2) The following if for use or redemption only within the game or platform or another electronic game or electronic-game platform:

(a) Points sometimes referred to as gems, tokens, gold, and similar names; and

(b) Digital codes; and

b. The term does not include an item that the issuer:

(1) Permits to be redeemed for use outside a game or platform for:

(a) Money; or

(b) Goods or services that have more than minimal value; or

(2) Otherwise monetizes for use outside a game or platform.

15. "Gift card" means a record that:

a. Is usable at:

(1) A single merchant; or

(2) A specified group of merchants;

b. Is prefunded before the record is used; and

c. Can be used for purchases of goods or services.

16. "Holder" means a person obligated to hold for the account of, or to deliver or pay to, the owner, property subject to this chapter.

17. "Insurance company" has the same meaning as defined in section 26.1-02-01, and also includes a benevolent society, nonprofit health service corporation, and a health maintenance organization.

18. "Loyalty card" means a record given without monetary consideration under an award, reward, benefit, loyalty, incentive, rebate, or promotional program which may be used or redeemed only to obtain goods or services or a discount on goods or services. The term does not include a record that may be redeemed for money or otherwise monetized by the issuer.

19. "Mineral proceeds" means an obligation:

a. To pay resulting from the production and sale of minerals, including net revenue interest, royalties, overriding royalties, production payments, and joint operating agreements; or

b. For the acquisition and retention of a mineral lease, including bonuses, delay rentals, shut-in royalties, and minimum royalties.

20. "Money order" means a payment order for a specified amount of money. The term includes an express money order and a personal money order on which the remitter is the purchaser.

21. "Municipal bond" means a bond or evidence of indebtedness issued by a municipality or other political subdivision of a state.

22. "Net card value" means the original purchase price or original issued value of a stored-value card, plus amounts added to the original price or value, minus amounts used and any service charge, fee, or dormancy charge permitted by law.

23. "Non-freely transferable security" means a security that cannot be delivered to the administrator by the depository trust clearing corporation or similar custodian of securities providing post-trade clearing and settlement services to financial markets or cannot be delivered because there is no agent to effect transfer. The term includes a worthless security.

24. "Owner" means a person that has a legal, beneficial, or equitable interest in property subject to this chapter or the person's legal representative when acting on behalf of and in the best interest of the owner. The term includes:

a. A depositor, for a deposit;

b. A beneficiary, for a trust other than a deposit in trust;

c. A creditor, claimant, or payee, for other property; and

d. The lawful bearer of a record that may be used to obtain money, a reward, or a thing of value.

25. "Payroll card" means a record that evidences a payroll-card account that is directly or indirectly established through an employer and to which electronic fund transfers of the consumer's wages, salary, or other employee compensation, such as commissions, are made on a recurring basis, whether the account is operated or managed by the employer, a third-party payroll processor, a depository institution, or any other person.

26. "Person" means an individual, estate, business association, public corporation, government or governmental subdivision, agency, or instrumentality, or other legal entity.

27. "Property" means tangible property described in section 47-30.2-08 or a fixed and certain interest in intangible property held, issued, or owed in the course of a holder's business or by a government, governmental subdivision, agency, or instrumentality.

a. The term includes:

(1) All income from or increments to the property; and

(2) Property referred to as or evidenced by:

(a) Money, virtual currency, interest, or a dividend, check, draft, deposit, or payroll card;

(b) A credit balance, customer's overpayment, stored-value card, security deposit, refund, credit memorandum, unpaid wage, unused ticket for which the issuer has an obligation to provide a refund, mineral proceeds, or unidentified remittance;

(c) A security except for:

(1) A worthless security; or

(2) A security that is subject to a lien, legal hold, or restriction evidenced on the records of the holder or imposed by operation of law, if the lien, legal hold, or restriction restricts the holder's or owner's ability to receive, transfer, sell, or otherwise negotiate the security;

(d) A bond, debenture, note, or other evidence of indebtedness;

(e) Money deposited to redeem a security, make a distribution, or pay a dividend;

(f) An amount due and payable under an annuity contract or insurance policy;

(g) An amount distributable from a trust or custodial fund established under a plan to provide health, welfare, pension, vacation, severance, retirement, death, stock purchase, profit-sharing, employee-savings, supplemental-unemployment insurance, or a similar benefit;

(h) Intangible property and any income or increment derived from the intangible property held in a fiduciary capacity for the benefit of another person;

(i) Mineral proceeds; and

(j) An in-store credit for returned merchandise.

b. The term does not include:

(1) Property held in a plan described in Section 529A of the Internal Revenue Code, as amended, [26 U.S.C. 529A];

(2) Game-related digital content;

(3) A loyalty card; or

(4) A gift card.

28. "Putative holder" means a person believed by the administrator to be a holder, until the person pays or delivers to the administrator property subject to this chapter or the administrator or a court makes a final determination that the person is or is not a holder.

29. "Record" has the same meaning as defined in section 44-04-17.1.

30. "Security" means:

a. A security as defined in section 41-08-02;

b. A security entitlement as defined in section 41-08-02, including a customer security account held by a registered broker-dealer, to the extent the financial assets held in the security account are not:

(1) Registered on the books of the issuer in the name of the person for which the broker-dealer holds the assets;

(2) Payable to the order of the person; or

(3) Specifically indorsed to the person; or

c. An equity interest in a business association not included in subdivision a or b.

31. "Sign" means, with present intent to authenticate or adopt a record:

a. To execute or adopt a tangible symbol; or

b. To attach to or logically associate with the record an electronic symbol, sound, or process.

32. "State" means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

33. "Stored-value card" means a card, code, or other device, including a merchandise credit or rebate card, which is:

a. Issued on a prepaid basis primarily for personal, family, or household purposes to a consumer in a specified amount, whether or not that amount may be increased or reloaded in exchange for payment;

b. Redeemable upon presentation at multiple unaffiliated merchants for goods or services or usable at automated teller machines; and

c. Not a gift card, payroll card, loyalty card, or game-related digital content.

34. "Utility" means a person that owns or operates for public use a plant, equipment, real property, franchise, or license for the following public services:

a. Transmission of communications or information;

b. Production, storage, transmission, sale, delivery, or furnishing of electricity, water, steam, or gas; or

c. Provision of sewage or septic services, or trash, garbage, or recycling disposal.

35. "Virtual currency" means a digital representation of value used as a medium of exchange, unit of account, or store of value, which does not have legal tender status recognized by the United States. The term does not include:

a. The software or protocols governing the transfer of the digital representation of value;

b. Game-related digital content; or

c. A loyalty card or gift card.

36. "Worthless security" means a security whose cost of liquidation and delivery to the administrator would exceed the value of the security on the date a report is due under this chapter.

47-30.2-02. (103) Inapplicability to foreign transaction.

This chapter does not apply to property held, due, and owing in a foreign country if the transaction out of which the property arose was a foreign transaction.

47-30.2-03. (104) Rulemaking.

The commissioner may adopt rules to implement and administer this chapter.

47-30.2-04. (201) When property presumed abandoned.

Subject to section 47-30.2-12, the following property is presumed abandoned if it is unclaimed by the apparent owner during the period specified below:

1. Except as provided in this section, checks held, issued, or owing in the ordinary course of the holder's business which remain uncashed by the owner two years after becoming payable;
2. A traveler's check, fifteen years after issuance;
3. A money order, seven years after issuance;
4. A state or municipal bond, bearer bond, or original-issue-discount bond, three years after the earliest of the date:
   a. The bond matures;
   b. The bond is called; or
   c. The obligation to pay the principal of the bond arises;
5. A debt of a business association, three years after the obligation to pay arises;
6. A payroll card or a demand, savings, or time deposit, including a time deposit that is automatically renewable, five years after the date of maturity of the time deposit or the date of the last indication of interest in the property by the apparent owner, whichever is earlier, provided a time deposit that is automatically renewable is deemed matured on its initial date of maturity unless the apparent owner has consented in a record on file with the holder to renewal at or about the time of the renewal. If an apparent owner has another established account with the financial institution and has demonstrated interest in any account under section 47-30.2-12, then all accounts must be considered active;
7. A cashier's check or certified check, two years after issuance;
8. Money or a credit owed to a customer as a result of a retail business transaction, other than in-store credit for returned merchandise, three years after the obligation arose;
9. An amount owed by an insurance company on a life or endowment insurance policy or an annuity contract that has matured or terminated, one year after the obligation to pay arose under the terms of the policy or contract or, if a policy or contract for which

an amount is owed on proof of death has not matured by proof of the death of the insured or annuitant, as follows:

a. With respect to an amount owed on a life or endowment insurance policy, one year after the earlier of the date:

(1) The insurance company has knowledge of the death of the insured; or

(2) The insured has attained, or would have attained if living, the limiting age under the mortality table on which the reserve for the policy is based; and

b. With respect to an amount owed on an annuity contract, one year after the date the insurance company has knowledge of the death of the annuitant.

10. Property distributable by a business association in the course of dissolution, one year after the property becomes distributable;

11. Property held by a court, including property received as proceeds of a class action, three years after the property becomes distributable;

12. Property held by a government or political subdivision, agency, or instrumentality, including municipal bond interest and unredeemed principal under the administration of a paying agent or indenture trustee, three years after the property becomes distributable;

13. Wages, commissions, bonuses, or reimbursements to which an employee is entitled, or other compensation for personal services, one year after the amount becomes payable;

14. A deposit or refund owed to a subscriber by a utility, one year after the deposit or refund becomes payable;

15. A security deposit, including interest on the security deposit, made in advance by a person to secure an agreement for rights of services, less any lawsuit deductions, which remains unclaimed by the owner for more than one year after termination of the agreement for which the deposit or advance payment was made;

16. A sum payable as mineral proceeds which has remained unclaimed by the owner for more than three years after it became payable or distributable and the owner's underlying right to receive those mineral proceeds are deemed abandoned. At the time an owner's underlying right to receive mineral proceeds is deemed abandoned, any

mineral proceeds then owing to the owner and any proceeds accruing after that time are deemed abandoned;

17. Property not specified in this section or sections 47-30.2-05 through 47-30.2-10, the earlier of three years after the owner first has a right to demand the property or the obligation to pay or distribute the property arises.

47-30.2-05. (202) When tax-deferred or tax-exempt retirement account presumed abandoned.

1. Subject to section 47-30.2-12, property held in a pension account or retirement account that qualifies for tax deferral or tax exemption under the income tax laws of the United States is presumed abandoned if it is unclaimed by the apparent owner three years after the later of:
   a. The following dates:
      (1) Except as in paragraph 2, the date a second consecutive communication sent by the holder by first-class United States mail to the apparent owner is returned to the holder undelivered by the United States postal service; or
      (2) If the second communication is sent later than thirty days after the date the first communication is returned undelivered, the date the first communication was returned undelivered by the United States postal service; or
   b. The earlier of the following dates:
      (1) The date the apparent owner becomes seventy-two years of age, if determinable by the holder; or
      (2) If the Internal Revenue Code, as amended, [26 U.S.C. 1 et seq.] or title 57, requires distribution to avoid a tax penalty, two years after the date the holder:
         (a) Receives confirmation of the death of the apparent owner in the ordinary course of its business; or
         (b) Confirms the death of the apparent owner under subsection 2.
2. If a holder in the ordinary course of its business receives notice or an indication of the death of an apparent owner and subdivision b of subsection 1 applies, the holder shall

attempt not later than ninety days after receipt of the notice or indication to confirm whether the apparent owner is deceased.

3. If the holder does not send communications to the apparent owner of an account described in subsection 1 by first-class United States mail, the holder shall attempt to confirm the apparent owner's interest in the property by sending the apparent owner an electronic-mail communication not later than two years after the apparent owner's last indication of interest in the property. However, the holder promptly shall attempt to contact the apparent owner by first-class United States mail if:
   a. The holder does not have information needed to send the apparent owner an electronic-mail communication;
   b. The holder receives notification that the electronic-mail communication was not received; or
   c. The apparent owner does not respond to the electronic-mail communication not later than thirty days after the communication was sent.
4. If first-class United States mail sent under subsection 3 is returned to the holder undelivered by the United States postal service, the property is presumed abandoned three years after the later of:
   a. Except as in subdivision b, the date a second consecutive communication to contact the apparent owner sent by first-class United States mail is returned to the holder undelivered;
   b. If the second communication is sent later than thirty days after the date the first communication is returned undelivered, the date the first communication was returned undelivered; or
   c. The date established by subdivision b of subsection 1.

47-30.2-06. (203) When other tax-deferred or tax-exempt account presumed abandoned.

Subject to section 47-30.2-12 and except for property described in section 47-30.2-05 and property held in a plan described in Section 529A of the Internal Revenue Code, as amended, [26 U.S.C. 529A] property held in an account or plan, including a health savings account, that qualifies for tax deferral or tax exemption under the income tax laws of the United States is presumed abandoned if it is unclaimed by the apparent owner three years after the earlier of:

1. The date, if determinable by the holder, specified in the income tax laws and regulations of the United States by which distribution of the property must begin to avoid a tax penalty, with no distribution having been made; or
2. Thirty years after the date the account was opened.

47-30.2-07. (204) When custodial account for minor presumed abandoned.

1. Subject to section 47-30.2-12, property held in an account established under a state's Uniform Gifts to Minors Act or Uniform Transfers to Minors Act is presumed abandoned if it is unclaimed by or on behalf of the minor on whose behalf the account was opened three years after the later of:
   a. Except as in subdivision b, the date a second consecutive communication sent by the holder by first-class United States mail to the custodian of the minor on whose behalf the account was opened is returned undelivered to the holder by the United States postal service;
   b. If the second communication is sent later than thirty days after the date the first communication is returned undelivered, the date the first communication was returned undelivered; or
   c. The date on which the custodian of the minor, as defined under section 47-24.1-01, is required to transfer the property to the minor or the minor's estate in accordance with the Uniform Gifts to Minors Act or Uniform Transfers to Minors Act of the state in which the account was opened.
2. If the holder does not send communications to the custodian of the minor on whose behalf an account described in subsection 1 was opened by first-class United States mail, the holder shall attempt to confirm the custodian of the minor's interest in the property by sending the custodian of the minor an electronic-mail communication not later than two years after the custodian of the minor's last indication of interest in the property. However, the holder promptly shall attempt to contact the custodian of the minor by first-class United States mail if:
   a. The holder does not have information needed to send the custodian of the minor an electronic-mail communication or the holder believes that the custodian of the minor's electronic-mail address in the holder's records is not valid;

b. The holder receives notification that the electronic-mail communication was not received; or

c. The custodian of the minor does not respond to the electronic-mail communication not later than thirty days after the communication was sent.

3. If first-class United States mail sent under subsection 2 is returned undelivered to the holder by the United States postal service, the property is presumed abandoned three years after the later of:

a. The date a second consecutive communication to contact the custodian of the minor by first-class United States mail is returned to the holder undelivered by the United States postal service; or

b. The date established by subdivision c of subsection 1.

4. The property in the account described in subsection 1 ceases to be subject to this section on the date the property is transferred to the minor or to the minor's estate.

47-30.2-08. (205) When contents of safe deposit box presumed abandoned.

Tangible property held in a safe deposit box is presumed abandoned if the property remains unclaimed by the apparent owner three years after the earlier of the:

1. Expiration of the lease or rental period for the box; or

2. Earliest date when the lessor of the box is authorized by law of this state other than this chapter to enter the box and remove or dispose of the contents without consent or authorization of the lessee.

47-30.2-09. (206) When stored-value card presumed abandoned.

1. Subject to section 47-30.2-12, the net card value of a stored-value card, other than a payroll card, is presumed abandoned on the latest of three years after:

a. December thirty-first of the year in which the card is issued or additional funds are deposited into the card;

b. The most recent indication of interest in the card by the apparent owner; or

c. A verification or review of the balance by or on behalf of the apparent owner.

2. The amount presumed abandoned in a stored-value card is the net card value at the time it is presumed abandoned.

47-30.2-10. (208) When security presumed abandoned.

1. Subject to section 47-30.2-12, a security is presumed abandoned three years after:

a. The date a second consecutive communication sent by the holder by first-class United States mail to the apparent owner is returned to the holder undelivered by the United States postal service; or

b. If the second communication is made later than thirty days after the first communication is returned, the date the first communication is returned undelivered to the holder by the United States postal service.

2. If the holder does not send communications to the apparent owner of a security by first-class United States mail, the holder shall attempt to confirm the apparent owner's interest in the security by sending the apparent owner an electronic-mail communication not later than two years after the apparent owner's last indication of interest in the security. However, the holder promptly shall attempt to contact the apparent owner by first-class United States mail if:

a. The holder does not have information needed to send the apparent owner an electronic-mail communication or the holder believes that the apparent owner's electronic-mail address in the holder's records is not valid;

b. The holder receives notification that the electronic-mail communication was not received; or

c. The apparent owner does not respond to the electronic-mail communication not later than thirty days after the communication was sent.

3. If first-class United States mail sent under subsection 2 is returned to the holder undelivered by the United States postal service, the security is presumed abandoned three years after the date the mail is returned.

47-30.2-11. (209) When related property presumed abandoned.

At and after the time property is presumed abandoned under this chapter, any other property right or interest accrued or accruing from the property and not previously presumed abandoned is also presumed abandoned.

47-30.2-12. (210) Indication of apparent owner interest in property.

1. The period after which property is presumed abandoned is measured from the later of:

a. The date the property is presumed abandoned under sections 47-30.2-04, 47-30.2-05, 47-30.2-06, 47-30.2-07, 47-30.2-08, 47-30.2-09, 47-30.2-10, 47-30.2-11, 47-30.2-12, 47-30.2-13, and 47-30.2-14; or

b. The latest indication of interest by the apparent owner in the property.

2. Under this chapter, an indication of an apparent owner's interest in property includes:

a. A record communicated by the apparent owner to the holder or agent of the holder concerning the property or the account in which the property is held;

b. An oral communication by the apparent owner to the holder or agent of the holder concerning the property or the account in which the property is held, if the holder or its agent contemporaneously makes and preserves a record of the fact of the apparent owner's communication;

c. Presentment of a check or other instrument of payment of a dividend, interest payment, or other distribution, or evidence of receipt of a distribution made by electronic or similar means, with respect to an account, underlying security, or interest in a business association;

d. Activity directed by an apparent owner in the account in which the property is held, including accessing the account or information concerning the account, or a direction by the apparent owner to increase, decrease, or otherwise change the amount or type of property held in the account;

e. A deposit into or withdrawal from an account at a financial organization, including an automatic deposit or withdrawal previously authorized by the apparent owner other than an automatic reinvestment of dividends or interest;

f. Subject to subsection 5, payment of a premium on an insurance policy; and

g. Any other action by the apparent owner which reasonably demonstrates to the holder that the apparent owner knows that the property exists.

3. An action by an agent or other legal representative of an apparent owner, other than the holder acting as the apparent owner's agent, is presumed to be an action on behalf of the apparent owner.

4. A communication with an apparent owner by a person other than the holder or the holder's representative is not an indication of interest in the property by the apparent owner unless a record of the communication evidences the apparent owner's knowledge of a right to the property.

5. If the insured dies or the insured or beneficiary of an insurance policy otherwise becomes entitled to the proceeds before depletion of the cash surrender value of the

policy by operation of an automatic-premium-loan provision or other nonforfeiture provision contained in the policy, the operation does not prevent the policy from maturing or terminating.

47-30.2-13. (211) Knowledge of death of insured or annuitant.

1. In this section, "death master file" means the United States social security administration death master file or other database or service that is at least as comprehensive as the United States social security administration death master file for determining that an individual reportedly has died.
2. With respect to a life or endowment insurance policy or annuity contract for which an amount is owed on proof of death, but which has not matured by proof of death of the insured or annuitant, the company has knowledge of the death of an insured or annuitant when:
   a. The company receives a death certificate or court order determining that the insured or annuitant has died;
   b. Due diligence, performed as required under section 26.1-55-02 to maintain contact with the insured or annuitant or determine whether the insured or annuitant has died, validates the death of the insured or annuitant;
   c. The company conducts a comparison for any purpose between a death master file and the names of some or all of the company's insureds or annuitants, finds a match that provides notice that the insured or annuitant has died, and validates the death; or
   d. The company:
      (1) Receives notice of the death of the insured or annuitant from an administrator, beneficiary, policy owner, relative of the insured, or trustee or from a personal representative, or other legal representative of the insured's or annuitant's estate; and
      (2) Validates the death of the insured or annuitant.
3. The following apply under this section:
   a. A death master file match under subdivision c of subsection 2 occurs if the criteria for an exact or partial match are satisfied as provided by:
      (1) Law of this state other than this chapter, including chapter 26.1-55; or

(2) A rule or policy adopted by the insurance commissioner;

b. The death master file match does not constitute proof of death for the purpose of submission to an insurance company of a claim by a beneficiary, annuitant, or owner of the policy or contract for an amount due under an insurance policy or annuity contract.

c. The death master file match or validation of the insured's or annuitant's death does not alter the requirements for a beneficiary, annuitant, or owner of the policy or contract to make a claim to receive proceeds under the terms of the policy or contract.

d. The company shall make a good-faith effort using available records and information to document the death of the insured or annuitant in accordance with the time frame specified in chapter 26.1-55-02.

4. This chapter does not affect the determination of the extent to which an insurance company before the effective date of this chapter had knowledge of the death of an insured or annuitant or was required to conduct a death master file comparison to determine whether amounts owed by the company on a life or endowment insurance policy or annuity contract were presumed abandoned or unclaimed.

47-30.2-14. (212) Deposit account for proceeds of insurance policy or annuity contract.

If proceeds payable under a life or endowment insurance policy or annuity contract are deposited into an account with check or draft writing privileges for the beneficiary of the policy or contract and, under a supplementary contract not involving annuity benefits other than death benefits, the proceeds are retained by the insurance company or the financial organization where the account is held, the policy or contract includes the assets in the account.

47-30.2-15. (301) Address of apparent owner to establish priority.

In sections 47-30.2-15, 47-30.2-16, 47-30.2-17, 47-30.2-18, 47-30.2-19, and 47-30.2-20, the following apply:

1. The last-known address of an apparent owner is any description, code, or other indication of the location of the apparent owner which identifies the state, even if the description, code, or indication of location is not sufficient to direct the delivery of first-class United States mail to the apparent owner.

2. If the United States postal zip code associated with the apparent owner is for a post office located in this state, this state is deemed to be the state of the last-known address of the apparent owner unless other records associated with the apparent owner specifically identify the physical address of the apparent owner to be in another state.

3. If the address under subsection 2 is in another state, the other state is deemed to be the state of the last-known address of the apparent owner.

4. The address of the apparent owner of a life or endowment insurance policy or annuity contract or its proceeds is presumed to be the address of the insured or annuitant if a person other than the insured or annuitant is entitled to the amount owed under the policy or contract and the address of the other person is not known by the insurance company and cannot be determined under section 47-30.2-16.

47-30.2-16. (302) Address of apparent owner in this state.

The administrator may take custody of property that is presumed abandoned, whether located in this state, another state, or a foreign country if:

1. The last-known address of the apparent owner in the records of the holder is in this state; or

2. The records of the holder do not reflect the identity or last-known address of the apparent owner, but the administrator has determined that the last-known address of the apparent owner is in this state.

47-30.2-17. (303) If records show multiple addresses of apparent owner.

1. Except as in subsection 2, if records of a holder reflect multiple addresses for an apparent owner and this state is the state of the most recently recorded address, this state may take custody of property presumed abandoned, whether located in this state or another state.

2. If it appears from records of the holder that the most recently recorded address of the apparent owner under subsection 1 is a temporary address and this state is the state of the next most recently recorded address that is not a temporary address, this state may take custody of the property presumed abandoned.

47-30.2-18. (304) Holder domiciled in this state.

1. Except as in subsection 2 or section 47-30.2-16 or 47-30.2-17, the administrator may take custody of property presumed abandoned, whether located in this state, another state, or a foreign country, if the holder is domiciled in this state or is this state or a political subdivision, agency, or instrumentality of this state; and
   a. Another state or foreign country is not entitled to the property because there is no last-known address of the apparent owner or other person entitled to the property in the records of the holder; or
   b. The state or foreign country of the last-known address of the apparent owner or other person entitled to the property does not provide for custodial taking of the property.
2. Property is not subject to custody of the administrator under subsection 1 if the property is specifically exempt from custodial taking under the law of this state or the state or foreign country of the last-known address of the apparent owner.
3. If a holder's state of domicile has changed since the time property was presumed abandoned, the holder's state of domicile in this section is deemed to be the state where the holder was domiciled at the time the property was presumed abandoned.

47-30.2-19. (305) Custody if transaction took place in this state.

Except as in section 47-30.2-16, 47-30.2-17, or 47-30.2-18, the administrator may take custody of property presumed abandoned whether located in this state or another state if:

1. The transaction out of which the property arose took place in this state;
2. The holder is domiciled in a state that does not provide for the custodial taking of the property, except that if the property is specifically exempt from custodial taking under the law of the state of the holder's domicile, the property is not subject to the custody of the administrator; and
3. The last-known address of the apparent owner or other person entitled to the property is unknown or in a state that does not provide for the custodial taking of the property, except that if the property is specifically exempt from custodial taking under the law of the state of the last-known address, the property is not subject to the custody of the administrator.

47-30.2-20. (306) Traveler's check, money order, or similar instrument.

The administrator may take custody of sums payable on a traveler's check, money order, or similar instrument presumed abandoned to the extent permissible under 12 U.S.C. 2501 through 2503.

47-30.2-21. (401) Report required by holder.

1. A holder of property presumed abandoned and subject to the custody of the administrator shall report in a record to the administrator concerning the property.
2. A holder may contract with a third party to make the report required under subsection 1.
3. Whether or not a holder contracts with a third party under subsection 2, the holder is responsible:
   a. To the administrator for the complete, accurate, and timely reporting of property presumed abandoned; and
   b. For paying or delivering to the administrator property described in the report.
4. A holder may file a negative report if the holder does not have reportable property or safe deposit box contents.

47-30.2-22. (402) Content of report.

1. The report filed under section 47-30.2-21 must:
   a. Be signed by or on behalf of the holder and verified as to its completeness and accuracy;
   b. Be filed electronically in a secure format approved by the administrator which protects confidential information of the apparent owner in the same manner as required of the administrator and the administrator's agent under sections 47-30.2-71, 47-30.2-72, and 47-30.2-73;
   c. Describe the property;
   d. Except for a traveler's check, money order, or similar instrument, contain the name, if known, last-known address, if known, and social security number or taxpayer identification number, if known or readily ascertainable, of the apparent owner of property with a value of twenty-five dollars or more;
   e. For an amount held or owing under a life or endowment insurance policy or annuity contract, contain the name and last-known address of the insured,

annuitant, or other apparent owner of the policy or contract and of the beneficiary;

f. For property held in or removed from a safe deposit box, indicate the location of the property, where it may be inspected by the administrator, and any amounts owed to the holder under section 47-30.2-35;

g. Contain the commencement date for determining abandonment under sections 47-30.2-04, 47-30.2-05, 47-30.2-06, 47-30.2-07, 47-30.2-08, 47-30.2-09, 47-30.2-10, 47-30.2-11, 47-30.2-12, 47-30.2-13, and 47-30.2-14;

h. State that the holder has complied with the notice requirements of section 47-30.2-26;

i. Identify property that is a non-freely transferable security and explain why it is a non-freely transferable security; and

j. Contain other information the commissioner prescribes by rules.

2. A report under section 47-30.2-21 may include in the aggregate items valued under twenty-five dollars each. If the report includes items in the aggregate valued under twenty-five dollars each, the administrator may not require the holder to provide the name and address of an apparent owner of an item unless the information is necessary to verify or process a claim in progress by the apparent owner.

3. A report under section 47-30.2-21 may include personal information about the apparent owner or the apparent owner's property to the extent not otherwise prohibited by state and federal law.

4. The administrator and any state employee conducting an examination on the administrator's behalf are exempt from chapter 6-08.1.

5. If a holder has changed the holder's name while holding property presumed abandoned or is a successor to another person that previously held the property for the apparent owner, the holder shall include in the report under section 47-30.2-21 the holder's former name or the name of the previous holder, if any, and the known name and address of each previous holder of the property.

47-30.2-23. (403) When report to be filed.

1. Except as otherwise provided under this section, the report under section 47-30.2-21 must be filed before November first of each year and cover the twelve months preceding July first of that year.
2. Subject to subsection 3, the report under section 47-30.2-21 to be filed by a life insurance company must be filed before May first of each year for the immediately preceding calendar year.
3. Before the date for filing the report under section 47-30.2-21, the holder of property presumed abandoned may request the administrator to extend the time for filing. The administrator may grant an extension.
4. The commissioner may grant an extension of the reporting date for good cause in the event of a national or state emergency.

47-30.2-24. (404) Retention of records by holder.

A holder required to file a report under section 47-30.2-21 shall retain records for ten years after the later of the date the report was filed or the last date a timely report was due to be filed, unless a shorter period is provided by rule of the commissioner. The holder may satisfy the requirement to retain records under this section through an agent. The records must contain:

1. The information required to be included in the report;
2. The date, place, and nature of the circumstances that gave rise to the property right;
3. The amount or value of the property;
4. The last address of the apparent owner, if known to the holder; and
5. If the holder sells, issues, or provides to others for sale or issue in this state traveler's checks, money orders, or similar instruments, other than third-party bank checks, on which the holder is directly liable, a record of the instruments while they remain outstanding indicating the state and date of issue.

47-30.2-25. (405) Property reportable and payable or deliverable absent owner demand.

Property is reportable and payable or deliverable under this chapter even if the owner fails to make demand or present an instrument or document otherwise required to obtain payment.

47-30.2-26. (501) Notice to apparent owner by holder.

1. Subject to subsection 2, the holder of property presumed abandoned shall send to the apparent owner notice by first-class United States mail that complies with section 47-30.2-27 in a format acceptable to the administrator not more than one hundred twenty days before filing the report under section 47-30.2-21 if:
   a. The holder has in the holder's records an address for the apparent owner which the holder's records do not disclose to be invalid and is sufficient to direct the delivery of first-class United States mail to the apparent owner; and
   b. The value of the property is twenty-five dollars or more.
2. If an apparent owner has consented to receive electronic mail delivery from the holder, the holder shall send the notice described in subsection 1 both by first-class United States mail to the apparent owner's last-known mailing address and by electronic mail, unless the holder believes that the apparent owner's electronic-mail address is invalid.

47-30.2-27. (502) Contents of notice by holder.

1. Notice under section 47-30.2-26 must contain a heading that reads substantially as follows:
   "Notice. The State of North Dakota requires us to notify you that your property may be transferred to the custody of the North Dakota unclaimed property administrator if you do not contact us before (insert date that is thirty days after the date of this notice)."
2. The notice under section 47-30.2-26 must:
   a. Identify the holder and provide a name, address, telephone number, and electronic-mail address at which to contact the holder;
   b. Identify the nature and, except for property that does not have a fixed value, the value of the property that is the subject of the notice;
   c. State that the property will be turned over to the administrator;
   d. State that after the property is turned over to the administrator an apparent owner that seeks return of the property shall file a claim with the administrator;
   e. State that property that is not legal tender of the United States may be sold by the administrator in accordance with section 47-30.2-40; and
   f. Provide instructions that the apparent owner must follow to prevent the holder from reporting and paying or delivering the property to the administrator.

47-30.2-28. (503) Notice by administrator.

1. The administrator shall give notice to an apparent owner that property is presumed abandoned and appears to be owned by the apparent owner is held by the administrator under this chapter.
2. In providing notice under subsection 1, the administrator shall:
   a. Except as otherwise provided in subdivision b, send written notice by first-class United States mail to each apparent owner of property valued at twenty-five dollars or more held by the administrator, unless the administrator determines that a mailing by first-class United States mail would not be received by the apparent owner, and, in the case of a security held in an account for which the apparent owner had consented to receiving electronic mail from the holder, send notice by electronic mail if the electronic-mail address of the apparent owner is known to the administrator instead of by first-class United States mail; or
   b. Send the notice to the apparent owner's electronic-mail address if the administrator does not have a valid United States mail address for an apparent owner but has an electronic-mail address that the administrator does not know to be invalid.
3. In addition to the notice under subsection 2, the administrator shall:
   a. Publish in the biennial report required under section 54-06-04 and shall include:
      (1) The total value of property received by the administrator during the preceding biennium, taken from the reports under section 47-30.2-21; and
      (2) The total value of claims paid by the administrator during the biennium period;
   b. Maintain a website or database accessible by the public and electronically searchable which contains the names reported to the administrator of apparent owners for whom property that meets or exceeds the searchable value as set by the commissioner is being held by the administrator. Property that does not meet or exceed the searchable value must continue to be held by the administrator but may not appear in the searchable website or database.

4. The website or database maintained under subdivision b of subsection 3 must include instructions for filing with the administrator a claim to property and a printable claim form with instructions for the form's use.

5. In addition to giving notice under subsection 2, publishing the information under subdivision a of subsection 3, and maintaining the website or database under subdivision b of subsection 3, the administrator may use other printed publication, telecommunication, the internet, or other media to inform the public of the existence of unclaimed property held by the administrator.

47-30.2-29. (504) Cooperation among state officers and agencies to locate apparent owner.

Unless prohibited by law of this state other than this chapter, on request of the administrator, each officer, agency, board, commission, division, and department of this state, any body politic and corporate created by this state for a public purpose, and each political subdivision of this state shall make its books and records available to the administrator and cooperate with the administrator to determine the current address of an apparent owner of property held by the administrator under this chapter.

47-30.2-30. (601) Definition of good faith.

In sections 47-30.2-30, 47-30.2-31, 47-30.2-32, 47-30.2-33, 47-30.2-34, 47-30.2-35, 47-30.2-36, 47-30.2-37, and 47-30.2-38, payment or delivery of property is made in good faith if a holder:

1. Had a reasonable basis for believing, based on the facts then known, that the property was required or permitted to be paid or delivered to the administrator under this chapter; or

2. Made payment or delivery:

   a. In response to a demand by the administrator or administrator's agent; or

   b. Under a guidance or ruling issued by the administrator which the holder reasonably believed required or permitted the property to be paid or delivered.

47-30.2-31. (602) Dormancy charge.

1. A holder may deduct a dormancy charge from property required to be paid or delivered to the administrator if:

a. An enforceable written contract between the holder and the apparent owner authorizes imposition of the charge for the apparent owner's failure to claim the property within a specified time; and

b. The holder regularly imposes the charge and regularly does not reverse or otherwise cancel the charge.

2. Charges authorized under this section may only be charged until the respective property is deemed abandoned.

47-30.2-32. (603) Payment or delivery of property to administrator.

1. Except as otherwise provided in this section, on filing a report under section 47-30.2-21, the holder shall pay or deliver to the administrator the property described in the report.

2. If property in a report under section 47-30.2-21 is an automatically renewable deposit and a penalty or forfeiture in the payment of interest would result from paying the deposit to the administrator at the time of the report, the date for payment of the property to the administrator is extended until a penalty or forfeiture no longer would result from payment, if the holder informs the administrator of the extended date.

3. If property reported to the administrator under section 47-30.2-21 is a security, the administrator may:

a. Make an endorsement, instruction, or entitlement order on behalf of the apparent owner to invoke the duty of the issuer, the transfer agent of the issuer, or the securities intermediary to transfer the security; or

b. Dispose of the security under section 47-30.2-41.

4. If the holder of property reported to the administrator under section 47-30.2-21 is the issuer of a certificated security, the administrator may obtain a replacement certificate in physical or book-entry form under section 41-08-38. An indemnity bond is not required.

5. The administrator shall establish procedures for the registration, issuance, method of delivery, transfer, and maintenance of securities delivered to the administrator by a holder.

6. An issuer, holder, or transfer agent acting under this section under instructions of and on behalf of the issuer or holder is not liable to the apparent owner for, and shall be

indemnified by the state against, a claim arising with respect to property after the property has been delivered in good faith to the administrator.

7. A holder is not required to deliver to the administrator a security identified by the holder as a non-freely transferable security. If the administrator or holder determines that a security is no longer a non-freely transferable security, the holder shall deliver the security on the next regular date prescribed for delivery of securities under this chapter. The holder shall make a determination annually whether a security identified in a report filed under section 47-30.2-21 as a non-freely transferable security is no longer a non-freely transferable security.

47-30.2-33. (604) Effect of payment or delivery of property to administrator.

1. On payment or delivery of property to the administrator under this chapter, the administrator as agent for the state assumes custody and responsibility for safekeeping the property. A holder that pays or delivers property in full to the administrator in good faith and substantially complies with sections 47-30.2-26 and 47-30.2-27 is relieved of liability to the extent of the value of the property paid or delivered for any claim arising after the payment or delivery with respect to payment or delivery of that property to the administrator.
2. To the extent of the value of property paid or delivered as measured on the date of delivery, this state shall defend and indemnify a holder against liability on a claim against the holder resulting from the payment or delivery of property to the administrator made in good faith and after the holder substantially complied with sections 47-30.2-26 and 47-30.2-27.

47-30.2-34. (605) Recovery of property by holder from administrator.

1. A holder that under this chapter pays money to the administrator may file a claim for reimbursement from the administrator of the amount paid if the holder:
   a. Paid the money in error; or
   b. After paying the money to the administrator, paid money to a person the holder reasonably believed was entitled to the money.
2. A holder that under this chapter delivers property other than money to the administrator may file a claim for return of the property from the administrator if:
   a. The holder delivered the property in error; or

b. The apparent owner has claimed the property from the holder.

3. If a claim for return of property under subsection 2 is made, the holder shall include with the claim evidence sufficient to establish that:

a. The apparent owner has claimed the property from the holder and that the property was delivered to the apparent owner in full; or

b. The property was delivered by the holder to the administrator in error.

4. The administrator may determine that an affidavit submitted by a holder is evidence sufficient to establish that the holder is entitled to reimbursement or to recover property under this section.

5. A holder is not required to pay a fee or other charge for reimbursement or return of property under this section.

6. Not later than ninety days after a claim is filed under subsection 1 or 2, the administrator shall allow or deny the claim and give the claimant notice of the decision in a record.

47-30.2-35. (606) Property removed from safe deposit box.

Property removed from a safe deposit box and delivered under this chapter to the administrator under this chapter is subject to the holder's right to reimbursement for the cost of opening the box and a lien or contract providing reimbursement to the holder for unpaid rent charges for the box. The administrator shall reimburse the holder from the proceeds remaining after deducting the expense incurred by the administrator in selling the property.

47-30.2-36. (607) Crediting income or gain to owner's account.

If property in the form of a security is paid or delivered to the administrator under this chapter, the owner is entitled to receive any dividends or other increments realized or accruing on the security for as long as the security is held by the administrator, if the total amount of cash due the owner exceeds five dollars.

47-30.2-37. (608) Administrator's option as to custody.

1. The administrator may decline to take custody of property reported under section 47-30.2-21 if the administrator determines that:

a. The property has a value less than the estimated expenses of notice and sale of the property; or

b. Taking custody of the property would be unlawful.

2. A holder may pay or deliver property to the administrator before the property is presumed abandoned under this chapter if the holder:
   a. Sends the apparent owner of the property notice required by section 47-30.2-26 and provides the administrator evidence of the holder's compliance with this subsection;
   b. Includes with the payment or delivery a report regarding the property conforming to section 47-30.2-22; and
   c. First obtains the administrator's consent in a record to accept payment or delivery.
3. A holder's request for the administrator's consent under subdivision c of subsection 2 must be in a record. If the administrator fails to respond to the request within thirty days after receipt of the request, the administrator is deemed to consent to the payment or delivery of the property and the payment or delivery is considered to have been made in good faith.
4. On payment or delivery of property under subsection 2, the property is presumed abandoned.

47-30.2-38. (609) Disposition of property having no substantial value; immunity from liability.

1. If the administrator takes custody of property delivered under this chapter and later determines that the property has no substantial commercial value or that the cost of disposing of the property will exceed the value of the property, the administrator may return the property to the holder or destroy or otherwise dispose of the property.
2. An action or proceeding may not be commenced against the state, an agency of the state, the administrator, another officer, employee, or agent of the state, or a holder for or because of an act of the administrator under this section, except for intentional misconduct or malfeasance.

47-30.2-39. (610) Periods of limitation and repose.

1. Expiration before, on, or after the effective date of this chapter, of a period of limitation on an owner's right to receive or recover property, whether specified by contract, statute, or court order, does not prevent the property from being presumed abandoned

or affect the duty of a holder under this chapter to file a report or pay or deliver property to the administrator.

2. The administrator may not commence an action or proceeding to enforce this chapter with respect to the reporting, payment, or delivery of property more than five years after the holder filed a nonfraudulent report under section 47-30.2-21 with the administrator. The parties may agree in a record to extend the limitation in this subsection.

3. The administrator may not commence an action, proceeding, or examination with respect to a duty of a holder under this chapter more than ten years after the duty arose.

47-30.2-40. (701) Public sale of property.

1. Subject to section 47-30.2-41, not earlier than three years after receipt of property presumed abandoned, the administrator may sell the property.

2. Before selling property under subsection 1, the administrator shall give notice to the public of:

   a. The date of the sale; and

   b. A reasonable description of the property.

3. A sale under subsection 1 must be to the highest bidder:

   a. At public sale at a location in this state which the administrator determines to be the most favorable market for the property;

   b. On the internet; or

   c. On another forum the administrator determines is likely to yield the highest net proceeds of sale.

4. The administrator may decline the highest bid at a sale under this section and reoffer the property for sale if the administrator determines the highest bid is insufficient.

5. If a sale held under this section is to be conducted other than on the internet, the administrator shall publish on the administrator's website a notice of the sale, at least ten days before the date of sale.

47-30.2-41. (702) Disposal of securities.

1. The administrator may not sell or otherwise liquidate a security until three years after the administrator receives the security.

2. The administrator may not sell a security listed on an established stock exchange for less than the price prevailing on the exchange at the time of sale. The administrator may sell a security not listed on an established exchange by any commercially reasonable method.

47-30.2-42. (704) Purchaser owns property after sale.

A purchaser of property at a sale conducted by the administrator under this chapter takes the property free of all claims of the owner, a previous holder, or a person claiming through the owner or holder. The administrator shall execute documents necessary to complete the transfer of ownership to the purchaser.

47-30.2-43. (705) Military medal or decoration.

1. The administrator may not sell a medal or decoration awarded for military service in the armed forces of the United States.
2. The administrator, with the consent of the respective organization under subdivision a or agency under subdivision b may deliver a medal or decoration described in subsection 1 to be held in custody for the owner, to:
   a. The state historical society; or
   b. The agency that awarded the medal or decoration.
3. On delivery under subsection 2, the administrator is not responsible for safekeeping the medal or decoration.

47-30.2-44. (801) Deposit of funds by administrator.

1. Except as otherwise provided in this section, the department shall deposit to the credit of the common schools trust fund all funds received under this chapter, including proceeds from the sale of property under sections 47-30.2-40, 47-30.2-41, 47-30.2-42, and 47-30.2-43.
2. The department shall maintain an account with an amount of funds the commissioner reasonably estimates is sufficient to pay claims allowed under this chapter.

47-30.2-45. (802) Administrator to retain records of property.

The administrator shall:

1. Record and retain the name and last-known address of each person shown on a report filed under section 47-30.2-21 to be the apparent owner of property delivered to the administrator;

2. Record and retain the name and last-known address of each insured or annuitant and beneficiary shown on the report;

3. For each policy of insurance or annuity contract listed in the report of an insurance company, record and retain the policy or account number, the name of the company, and the amount due or paid; and

4. For each apparent owner listed in the report, record and retain the name of the holder that filed the report and the amount due or paid.

47-30.2-46. Deposit of funds - Continuing appropriation.

1. Except as otherwise provided by this section, all funds received under this chapter, including the proceeds from the sale of abandoned property under section 47-30.2-40, must be promptly deposited in the state treasury to the credit of the common schools trust fund.

2. There is appropriated annually the amounts necessary to pay all expense deductions under this section, including:

   a. Any costs in connection with the sale of abandoned property;

   b. Costs of mailing, publication, and outreach efforts in connection with any abandoned property;

   c. Reasonable service charges;

   d. Costs incurred in examining records of holders of property and in collecting the property from those holders;

   e. Funds for the payment of claims;

   f. Funds for the payment of holder refunds; and

   g. Funds for attorney's fees and all other reasonable costs and expenses incurred in an action or suit.

47-30.2-47. (804) Administrator holds property as custodian for owner.

Property received by the administrator under this chapter is held in custody for the benefit of the owner and is not owned by the state.

47-30.2-48. (901) Claim of another state to recover property.

1. If the administrator knows that property held by the administrator under this chapter is subject to a superior claim of another state, the administrator shall:

   a. Report and pay or deliver the property to the other state; or

b. Return the property to the holder so that the holder may pay or deliver the property to the other state.

2. The administrator is not required to enter into an agreement to transfer property to the other state under subsection 1.

47-30.2-49. (902) When property subject to recovery by another state.

1. Property held under this chapter by the administrator is subject to the right of another state to take custody of the property if:

a. The property was paid or delivered to the administrator because the records of the holder did not reflect a last-known address of the apparent owner in the other state and:

(1) The other state establishes that the last-known address of the apparent owner or other person entitled to the property was in the other state; or

(2) Under the law of the other state, the property has become subject to a claim by the other state of abandonment;

b. The records of the holder did not accurately identify the owner of the property, the last-known address of the owner was in another state, and, under the law of the other state, the property has become subject to a claim by the other state of abandonment;

c. The property was subject to the custody of the administrator of this state under section 47-30.2-19 and, under the law of the state of domicile of the holder, the property has become subject to a claim by the state of domicile of the holder of abandonment; or

d. The property:

(1) Is a sum payable on a traveler's check, money order, or similar instrument that was purchased in the other state and delivered to the administrator under section 47-30.2-20; and

(2) Under the law of the other state, has become subject to a claim by the other state of abandonment.

2. A claim by another state to recover property under this section must be presented in a form prescribed by the administrator, unless the administrator waives presentation of the form.

3. The administrator shall decide a claim under this section not later than ninety days after it is presented. If the administrator determines that the other state is entitled under subsection 1 to custody of the property, the administrator shall allow the claim and pay or deliver the property to the other state.

4. The administrator may require another state, before recovering property under this section, to agree to indemnify this state and its agents, officers, and employees against any liability on a claim to the property.

47-30.2-50. (903) Claim for property by person claiming to be owner.

1. A person claiming to be the owner of property held under this chapter by the administrator may file a claim for the property and the claim must be on a form prescribed by the administrator. The claimant shall verify the claim as to the claim's completeness and accuracy.

2. The administrator may waive the requirement in subsection 1 and may pay or deliver property directly to a person if:

   a. The person receiving the property or payment is shown to be the apparent owner included on a report filed under section 47-30.2-21;

   b. The administrator reasonably believes the person is entitled to receive the property or payment; and

   c. The property has a value as provided by rules adopted by the commissioner.

47-30.2-51. (904) When administrator shall honor claim for property.

1. The administrator shall pay or deliver property to a claimant under subsection 1 of section 47-30.2-50 if the administrator receives evidence sufficient to establish to the satisfaction of the administrator that the claimant is the owner of the property.

2. Not later than ninety days after a claim is filed under subsection 1 of section 47-30.2-50, the administrator shall allow or deny the claim and give the claimant notice in a record of the decision.

3. If the claim is denied under subsection 2:

   a. The administrator shall inform the claimant of the reason for the denial and specify what additional evidence, if any, is required for the claim to be allowed;

   b. The claimant may file an amended claim with the administrator or commence an action under section 47-30.2-53; and

c. The administrator may consider an amended claim filed under subdivision b as an initial claim.

47-30.2-52. (905) Allowance of claim for property.

1. Not later than sixty days after a claim is allowed under subsection 2 of section 47-30.2-51, the administrator shall pay or deliver to the owner the property or pay to the owner the net proceeds of a sale of the property, together with income or gain to which the owner is entitled under section 47-30.2-36. On request of the owner, the administrator may sell or liquidate a security and pay the net proceeds to the owner, even if the security had been held by the administrator for fewer than three years or the administrator has not complied with the notice requirements under section 47-30.2-41.

2. Property held under this chapter by the administrator is subject to a claim for the payment of an enforceable debt the owner owes in this state for:

   a. Child support arrearages, including child support collection costs and child support arrearages that are combined with maintenance;

   b. A civil or criminal fine or penalty, court costs, a surcharge, or restitution imposed by a final order of an administrative agency or a final court judgment; or

   c. State or local taxes, penalties, and interest that have been determined to be delinquent or as to which notice has been recorded with the state or local taxing authority.

3. The state and local agencies may make periodic inquiries to the administrator to determine whether an apparent owner included in the unclaimed property records of this state has enforceable debts described in subsection 2. The administrator first shall apply the property or net proceeds of a sale of property held by the administrator to a debt under subsection 2 of an apparent owner which appears in the records of the administrator and deliver the amount to the appropriate state or local agency.

47-30.2-53. (906) Action by person whose claim is denied.

Not later than one hundred eighty days after filing a claim under subsection 1 of section 47-30.2-50, the claimant may commence an action against the board in the Burleigh County District Court to establish a claim that has been denied or deemed denied under section 47-30.2-50. If the board is successful in a proceeding brought under this section, the district

court shall allow the board to recover court costs; reasonable costs, fees, disbursements, and expenses incurred by the board in the proceeding; and reasonable attorney's fees.

47-30.2-54. (1001) Verified report of property.

If a person does not file a report under section 47-30.2-21 or the administrator believes that a person may have filed an inaccurate, incomplete, or false report, the administrator may require the person to file a verified report in a form prescribed by the administrator. The verified report must:

1. State whether the person is holding property reportable under this chapter;
2. Describe property not previously reported or about which the administrator has inquired;
3. Specifically identify property described under subsection 2 about which there is a dispute whether it is reportable under this chapter; and
4. State the amount or value of the property.

47-30.2-55. (1002) Examination of records to determine compliance.

The administrator, at reasonable times and on reasonable notice, may:

1. Examine the records of a person, including examination of appropriate records in the possession of an agent of the person under examination, if the records are reasonably necessary to determine whether the person has complied with this chapter;
2. Issue an administrative subpoena requiring the person or agent of the person to make records available for examination; and
3. Bring an action seeking judicial enforcement of the subpoena.

47-30.2-56. (1003) Rules for conducting examination.

1. The commissioner shall adopt rules governing an examination under section 47-30.2-55, including rules for use of an estimation, extrapolation, and statistical sampling in conducting an examination. An examination commenced after adoption of rules under this subsection must comply with the rules.
2. If a person subject to examination under section 47-30.2-55 has filed the reports required under sections 47-30.2-21 and 47-30.2-54 and has retained the records required by section 47-30.2-24, the following apply:
   a. The examination must include a review of the person's records.
   b. The examination may be based on an estimate if no records are available.

c. The person conducting the examination shall consider the evidence presented in good faith by the person in preparing the findings of the examination under section 47-30.2-60.

47-30.2-57. (1004) Records obtained in examination.

1. Records obtained from a private entity for purposes of an examination under this chapter and records, including work papers, compiled by the administrator or the administrator's agent in the course of conducting an examination under section 47-30.2-55 are subject to the security provisions of sections 47-30.2-71, 47-30.2-72, and 47-30.2-73 and are confidential records. However, the administrator or administrator's agent may furnish information to the attorney general, other state agencies, a prosecuting official requiring the information for use in the prosecuting official's official duties, or for legislative investigations under chapter 54-03.2. Confidential information furnished by the administrator or the administrator's agent to a third party under this section remains confidential while in the possession of the third party. Confidential information received by the administrator or administrator's agent from a third party under this section remains confidential while in the possession of the administrator or administrator's agent. The administrator or the administrator's agent's final and completed examination reports are records open to the public. The final examination report may not contain confidential documentation or working papers unless one of the exceptions in this section applies.
2. The records subject to subsection 1:
   a. May be used by the board in an action to collect property or otherwise enforce this chapter;
   b. May be used in a joint examination conducted with or pursuant to agreements with other states, the federal government, or other governmental entities;
   c. May be disclosed at the discretion of the commissioner, on request, to the person that administers the unclaimed property law of another state for that state's use in circumstances equivalent to circumstances described in sections 47-30.2-54, 47-30.2-55, 47-30.2-56, 47-30.2-57, 47-30.2-58, 47-30.2-59, 47-30.2-60, 47-30.2-61, and 47-30.2-62. A state to which information is disclosed shall

maintain the confidentiality and security of information obtained in a manner substantially equivalent to sections 47-30.2-71, 47-30.2-72, and 47-30.2-73;

d. May be required to be produced under section 44-04-18.11; and

e. May be required to be produced by the administrator on request of the person subject to the examination in an administrative or judicial proceeding relating to the property.

3. The administrator or any state employee conducting an examination on the administrator's behalf are exempt from chapter 6-08.1.

47-30.2-58. (1005) Evidence of unpaid debt or undischarged obligation.

1. A record of a putative holder showing an unpaid debt or undischarged obligation is prima facie evidence of the debt or obligation.

2. A putative holder may establish by a preponderance of the evidence that there is no unpaid debt or undischarged obligation for a debt or obligation described in subsection 1 or that the debt or obligation was not, or no longer is, a fixed and certain obligation of the putative holder.

3. A putative holder may overcome prima facie evidence under subsection 1 by establishing by a preponderance of the evidence that a check, draft, or similar instrument was:

a. Issued as an unaccepted offer in settlement of an unliquidated amount;

b. Issued but later was replaced with another instrument because the earlier instrument was lost or contained an error that was corrected;

c. Issued to a party affiliated with the issuer;

d. Paid, satisfied, or discharged;

e. Issued in error;

f. Issued without consideration;

g. Issued but there was a failure of consideration;

h. Voided not later than ninety days after issuance for a valid business reason set forth in a contemporaneous record; or

i. Issued but not delivered to the third-party payee for a sufficient reason recorded within a reasonable time after issuance.

4. In asserting a defense under this section, a putative holder may present evidence of a course of dealing between the putative holder and the apparent owner or of custom and practice.

47-30.2-59. (1006) Failure of person examined to retain records.

If a person subject to examination under section 47-30.2-55 fails to retain the records required by section 47-30.2-24, the administrator may determine the value of property due using a reasonable method of estimation based on all information available to the administrator, including extrapolation and use of statistical sampling when appropriate and necessary, consistent with examination procedures and standards adopted under subsection 1 of section 47-30.2-56 and in accord with subsection 2 of section 47-30.2-56.

47-30.2-60. (1007) Report to person whose records were examined.

At the conclusion of an examination under section 47-30.2-55, the administrator or the administrator's agent shall provide to the person whose records were examined a complete and unredacted examination report that specifies:

1. The work performed;
2. The property types reviewed;
3. The methodology of any estimation technique, extrapolation, or statistical sampling used in conducting the examination;
4. Each calculation showing the value of property determined to be due; and
5. The findings of the person conducting the examination.

47-30.2-61. (1008) Informal conference during examination.

1. If a person subject to examination under section 47-30.2-55 believes the person conducting the examination has made an unreasonable or unauthorized request or is not proceeding expeditiously to complete the examination, the person subject to the examination may ask the administrator to intervene and take appropriate remedial action, including countermanding the request of the person conducting the examination, imposing a time limit for completion of the examination, or reassigning the examination to another person.
2. If a person subject to the examination requests a conference with the administrator to present matters that are the basis of a request under subsection 1, the administrator shall hold the conference not later than thirty days after receiving the request. The

administrator may hold the conference in person, by telephone, or by electronic means.

3. If a conference is held under subsection 2, not later than thirty days after the conference ends, the administrator shall provide a report in a record of the conference to the person that requested the conference.

47-30.2-62. (1012) Determination of liability for unreported reportable property.

If the administrator determines from an examination conducted under section 47-30.2-55 that a putative holder failed or refused to pay or deliver to the administrator property which is reportable under this chapter, the administrator shall issue a determination of the putative holder's liability to pay or deliver and give notice of the determination in a record to the putative holder.

47-30.2-63. (1202) Interstate and international agreement - Cooperation.

1. Subject to subsection 2, the administrator may:
   a. Exchange information with another state or foreign country relating to property presumed abandoned or relating to the possible existence of property presumed abandoned; and
   b. Authorize in a record another state or foreign country or a person acting on behalf of the other state or country to examine its records of a putative holder as provided in sections 47-30.2-54, 47-30.2-55, 47-30.2-56, 47-30.2-57, 47-30.2-58, 47-30.2-59, 47-30.2-60, 47-30.2-61, and 47-30.2-62.
2. An exchange or examination under subsection 1 may be done only if the state or foreign country has confidentiality and security requirements substantially equivalent to those in sections 47-30.2-71, 47-30.2-72, and 47-30.2-73 or agrees in a record to be bound by this state's confidentiality and security requirements.

47-30.2-64. (1203) Action involving another state or foreign country.

1. The administrator may join another state or foreign country to examine and seek enforcement of this chapter against a putative holder.
2. The board may pursue an action on behalf of this state to recover property subject to this chapter but delivered to the custody of another state if the administrator believes the property is subject to the custody of the administrator.

3. The board may retain an attorney in this state, another state, or a foreign country to commence an action to recover property on behalf of the board and may agree to pay attorney's fees based in whole or in part on a fixed fee, hourly fee, or a percentage of the amount or value of property recovered in the action.

4. Expenses incurred by this state in an action under this section must be paid in accordance with section 47-30.2-46.

47-30.2-65. (1204) Interest and penalty for failure to act in timely manner.

1. An administrator may collect interest from a holder that fails to report, pay, or deliver property within the time prescribed by this chapter. Interest must be calculated at an annual rate of one percent of the sum for each thirty day period of delinquency or fraction of delinquency period on the property or value of the property from the date the property should have been reported, paid, or delivered to the administrator until the date reported, paid, or delivered.

2. Except as otherwise provided in section 47-30.2-66 or 47-30.2-67, the administrator may require a holder that fails to report, pay, or deliver property within the time prescribed by this chapter to pay to the administrator, in addition to interest included under subsection 1, a civil penalty of two hundred dollars for each day the duty is not performed, up to a cumulative maximum amount of five thousand dollars.

47-30.2-66. (1205) Other civil penalties.

1. If a holder enters into a contract or other arrangement for the purpose of evading an obligation under this chapter or otherwise willfully fails to perform a duty imposed on the holder under this chapter, the commissioner may require the holder to pay the administrator, in addition to interest as provided in subsection 1 of section 47-30.2-65, a civil penalty of one thousand dollars for each day the obligation is evaded or the duty is not performed, up to a cumulative maximum amount of twenty-five thousand dollars, plus twenty-five percent of the amount or value of property that should have been but was not reported, paid, or delivered as a result of the evasion or failure to perform.

2. If a holder makes a fraudulent report under this chapter, the commissioner may require the holder to pay to the administrator, in addition to interest under subsection 1 of section 47-30.2-65, a civil penalty of one thousand dollars for each day from the date the report was made until corrected, up to a cumulative maximum of twenty-five

thousand dollars, plus twenty-five percent of the amount or value of any property that should have been reported but was not included in the report or was underreported.

47-30.2-67. Waiver of interest and penalty.

1. A holder shall pay the penalty and interest or request a waiver or reduction within thirty days from the date of the receipt of a notice of a penalty and interest assessment.
2. A request for a waiver or reduction of the penalty or interest must be in writing and provide the grounds for the request.
3. The following factors may be considered if deciding to waive or reduce the penalty or interest:
   a. The reason for the holder's noncompliance;
   b. The degree of control the holder had over the lack of compliance;
   c. Any unusual or mitigating circumstances involved; and
   d. Any other relevant factors.
4. The commissioner may waive up to twenty-five thousand dollars of the penalty or reduce interest. A request for a waiver or reduction of penalty in excess of twenty-five thousand dollars must be presented to the board, with the commissioner's recommendation, for review and decision.
5. A waiver or reduction of penalty and interest does not constitute a waiver of the right to seek the full amount of both penalty and interest if the initial holder obligation is not paid. If a claim for penalties and interest is settled and payment received, the amount of penalties and interest not collected is waived.

47-30.2-68. (1301) When agreement to locate property enforceable.

An agreement by an apparent owner and another person, the primary purpose of which is to locate, deliver, recover, or assist in the location, delivery, or recovery of property held by the administrator, is enforceable only if:

1. The person who entered into the agreement with the apparent owner is in compliance with chapter 43-30; and
2. The agreement:
   a. Is in writing;
   b. Clearly states the nature of the property and the services to be provided;

c. States the amount of the fee or other compensation to be paid, which may not be in excess of ten percent of the amount recovered;

d. Discloses that, absent the agreement, the property would be delivered to a state-administered unclaimed property program for safekeeping on the owner's behalf and upon delivery, the owner may be able to recover the property from the state-administered program without charge; and

e. Is signed by or on behalf of the apparent owner.

47-30.2-69. (1302) When agreement to locate property void.

1. An agreement to locate property is void if:

a. Subject to subdivision b, the agreement is entered into during the period beginning on the date the property was presumed abandoned and ending twenty-four months after the payment or delivery; or

b. A provision in an agreement described in subdivision a applies to property that has not yet been abandoned and reported to the administrator, including mineral proceeds.

2. This section does not apply to an apparent owner's agreement with an attorney to pursue a claim for recovery of specifically identified property held by the administrator or to contest the administrator's denial of a claim for recovery of the property.

47-30.2-70. (1303) Right of agent of apparent owner to recover property held by administrator.

1. An apparent owner that contracts with another person to locate, deliver, recover, or assist in the location, delivery, or recovery of property of the apparent owner which is held by the administrator may designate the person as the agent of the apparent owner. The designation must be in a record signed by the apparent owner.

2. The administrator shall give the agent of the apparent owner all information concerning the property which the apparent owner is entitled to receive, including information that otherwise is confidential information.

47-30.2-71. (1405) No confidential information in notice.

Except as otherwise provided in sections 47-30.2-26 and 47-30.2-27, a holder is not required under this chapter to include confidential information in a notice the holder is required to provide to an apparent owner under this chapter.

47-30.2-72. (1406) Security of information.

1. If a holder is required to include confidential information in a report to the administrator, the information must be provided by a secure means.
2. If confidential information in a record is provided to and maintained by the administrator or administrator's agent as required by this chapter, the administrator or administrator's agent shall:
   a. Implement administrative, technical, and physical safeguards to protect the security, confidentiality, and integrity of the information required by state and federal privacy and data security law whether or not the administrator or the administrator's agent is subject to the law;
   b. Protect against reasonably anticipated threats or hazards to the security, confidentiality, or integrity of the information; and
   c. Protect against unauthorized access to or use of the information which could result in substantial harm or inconvenience to a holder or the holder's customers, including insureds, annuitants, and policy or contract owners and their beneficiaries.

47-30.2-73. (1407) Security breach.

1. Except to the extent prohibited by law other than this chapter, the administrator or administrator's agent shall notify a holder as soon as practicable of:
   a. A suspected loss, misuse or unauthorized access, disclosure, modification, or destruction of confidential information obtained from the holder in the possession of the administrator or an administrator's agent; and
   b. Any interference with operations in any system hosting or housing confidential information which:
      (1) Compromises the security, confidentiality, or integrity of the information; or
      (2) Creates a substantial risk of identity fraud or theft.
2. Except as necessary to inform an insurer, attorney, investigator, or others as required by law, the administrator and an administrator's agent may not disclose, without the express consent in a record of the holder, an event described in subsection 1 to a person whose confidential information was supplied by the holder.

3. If an event described in subsection 1 occurs, the administrator and the administrator's agent shall:

a. Take action necessary for the holder to understand and minimize the effect of the event and determine its scope; and

b. Cooperate with the holder with respect to:

(1) Any notification required by law concerning a data or other security breach; and

(2) A regulatory inquiry, litigation, or similar action.

47-30.2-74. (1503) Transitional provision - Effect of new provisions - Clarification of application.

1. This chapter does not relieve a holder of a duty that arose before July 1, 2021, to report, pay, or deliver property. A holder that fails to comply with the law in effect before July 1, 2021, is subject to the applicable enforcement and penalty provisions that existed before July 1, 2021, and the applicable provisions are continued in effect for the purpose of this subsection.

2. The initial report filed under this chapter for property that was not required to be reported before July 1, 2021, but which is subject to this chapter must include all items of property that would have been presumed abandoned during the ten-year period preceding July 1, 2021, as if this chapter had been in effect during that period.

47-30.2-75. Enforcement - Appeals.

The administrator may bring an action in a court of competent jurisdiction to enforce this chapter. A person in this state aggrieved by an audit that in any form requests the payment of money or a civil penalty is entitled to a hearing before the board. A demand for a hearing must be made within thirty days of the request by the administrator. The request by the administrator must contain notice of the right to a hearing. The board's decision is the final order of the agency and is appealable to the district court. Any amount of money requested by the administrator which may increase over time is tolled at the time of filing an appeal, retroactive to the date of the request.

SECTION 18. AMENDMENT. Section 54-27-15.1 of the North Dakota Century Code is amended and reenacted as follows:

54-27-15.1. State treasurer's checks, warrants, and warrant-checks - Cancellation - Deposit to common schools trust fund - Subsequent payment - Continuing appropriation.

The state treasurer, at the beginning of each fiscal year, shall prepare a list of the checks, warrants, and warrant-checks drawn on various depositories which are more than ~~three~~two years old which remain outstanding and unpaid and shall show the number, date, payee, ~~(~~with address of payee if available~~)~~, amount, and fund, ~~(~~if available~~)~~, against which said instrument was drawn. A copy of such list must then be used as an authority for writing a receipt of the total of such check or checks and shall credit such amount to the common schools trust fund pursuant to chapter ~~47-30.1~~47-30.2. One copy of such receipt with list of instruments affected must be provided to the administrator of unclaimed properties. In the event such check, warrant, or warrant-check is at any subsequent time presented for payment, or a claim is made by any person for the amount of any such instrument, further proceedings must be conducted in accordance with chapter ~~47-30.1~~47-30.2. These expenditures are hereby subject to a standing and continuing appropriation.

SECTION 19. AMENDMENT. Subsection 6 of section 57-38-57 of the North Dakota Century Code is amended and reenacted as follows:

6. Upon request, the tax commissioner may furnish to the unclaimed property division of the board of university and school lands, a taxpayer's name, address, and federal identification number for identifying the taxpayer as the owner of an unclaimed voucher authorized by the tax commissioner or to locate the apparent owner of unclaimed property as provided under chapter ~~47-30.1~~47-30.2.

SECTION 20. AMENDMENT. Subsection 8 of section 57-39.2-23 of the North Dakota Century Code is amended and reenacted as follows:

8. Upon request, the commissioner may furnish to the unclaimed property division of the board of university and school lands, a taxpayer's name, address, and federal identification number for identifying the owner of an unclaimed voucher authorized by the commissioner or to locate the apparent owner of unclaimed property as provided under chapter ~~47-30.1~~47-30.2.

SECTION 21. AMENDMENT. Section 60-01-34 of the North Dakota Century Code is amended and reenacted as follows:

60-01-34. Finder - Depositary for hire - Assumption of ownership by finder.

One who finds a thing lost is not bound to take charge of it but, if the person does so, the person is thenceforward a depositary for the owner with the rights and obligations of a depositary for hire. Notwithstanding chapters 36-22 and ~~47-30.1~~47-30.2 or any other provision of law, an individual who finds lost personal property or money and places the property or money in the custody of a law enforcement agency is entitled to assume ownership of the property or money if the property or money is not claimed by its owner within two years after the property or money was placed in the custody of the law enforcement agency.

SECTION 22. REPEAL. Chapter 47-30.1 of the North Dakota Century Code is repealed.