



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

**House Bill 1360
House Judiciary Committee
January 25, 2023**

Chairman Klemin and members of the House Judiciary Committee, I am Susan Dollinger, Director of the Unclaimed Property Division of the North Dakota Department of Trust Lands. I am here to testify in support of House Bill 1360.

As most of you will recall, during the 67th Legislative Assembly, Senate Bill 2048 was passed which resulted in the complete repeal of N.D.C.C. ch. 47-30.1 and replacement with N.D.C.C. ch. 47-30.2 or RUUPA (Revised Uniform Unclaimed Property Act).

While the primary goal of the Unclaimed Property Program has always been and will continue to be the return of property to its rightful owner/heir, we are also tasked with holder (business) reporting compliance. We must ensure businesses and other entities are meeting their obligation of reporting unclaimed property to the Division so we may do our job of locating missing owners and getting the funds back where they belong.

Over time, Unclaimed Property programs across the country have seen a considerable increase in businesses failing to comply with examinations in a timely fashion. As a result of this, we are seeking to amend N.D.C.C. ch. 47-30.2.

The Bill before you, House Bill 1360 does two things: First, it tolls the holder record retention period from the date the holder is notified of an exam; Second, it increases the statute of limitations to enforce holder reporting and fund remittance duties from five years to seven, with the statute of limitations being tolled by the Administrator's delivery of a holder examination notice.

These amendments are needed to close a loophole that has been exploited by some holders of unclaimed property. We have seen instances of holders (businesses) failing to comply with examination requests and then destroying records as the retention period expires. When this happens, businesses have removed liability to the Unclaimed Property Division, which ultimately decreases the amount of property we can collect and return to rightful owners.

HB 1360 contains two amendments to existing law. The first amendment clarifies records retention requirements as outlined in N.D.C.C. § 47-30.2-24. This amendment would do two things. First, it clearly defines upon receipt of notice of examination from the unclaimed property administrator the record retention period tolls. Second it clearly defines what records must be kept. Without records available for exam, compliance with the existing statute is impossible.

The second amendment would increase the statute of limitations as outlined in N.D.C.C. §47-30.2-39 from 5 to 7 years, as well as define that upon receipt of notification of examination by the administrator, the statute of limitations tolls. In a perfect world, an unclaimed property exam should reach its conclusion in 2-3 years. However, we have seen holders attempt to drag exams out 7, 8, or even 10 years. Extending the statute of limitations would give us another tool to encourage compliance and additional time to distinguish between simply a stalled exam, and bad actors.

Mark your calendars because February 1st is National Unclaimed Property Day. It is promotions such as this and various other outreach activities which increase awareness of the Unclaimed Property program and in turn allows us to return more and more property to the citizens of North Dakota.

Mr. Chairman and members of the committee, thank you for your time today. I would respectfully request a Do Pass vote on HB1360 and would stand for any questions you may have.