

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2207

2001 SENATE TRANSPORTATION

SB 2207

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2207

Senate Transportation Committee

☐ Conference Committee

Hearing Date 1-25-01;2-1-01;2-8-01

Tape Number	Side A	Side B	Meter #
1	x		36.5-End
1		x	0.0-14-1
2-1-01 2	x		49.5-end
2-1-01 2		x	0.0-3.5
2-8-01 1	x		17.5-19.4

Committee Clerk Signature



Minutes:SB 2207 relates to the crediting of dividends, interest, or increments to an owner of unclaimed property and to the payment of unclaimed property claims.

Senator Trenbeath: Let the record show that Senator Trenbeath will be presiding for the next few minutes while Senator Stenehjem testifies.

Senator Stenehjem: (District 30; Supports) States that he supports this bill.

John Delbert: (Supports) See attached testimony.

Senator Stenehjem: For the record, what is it exactly that happened?

John Delbert: I had life insurance for one company, a day later it changed to another company. That company couldn't locate me so stock was purchased, it earned some money then it got turned over to the state.

Page 2

Senate Transportation Committee

Bill/Resolution Number SB 2207

Hearing Date 1-25-01;2-1-01;2-8-01

Linda Fischer: (Unclaimed Property Administrator; Neutral) States that the only dividends John Deibert did not receive was while property was in Unclaimed Property custody. Explains the difference between Senate and introduced bills.

Senator Espgaard: How long was Mr. Deibert's property in possession?

Linda Fischer: 2 years. I am only aware of one written complaint.

Senator Bercier: How many employees are in your department?

Linda Fischer: The entire Land Dept. has 18 employees. e don't have any specific person who works directly with unclaimed property. About half of us deal with it on occasion.

Senator Bercier: How much unclaimed property do you have in custody?

Linda Fischer: 27,000 owners, \$12 million in unclaimed property from 1975 until present. here is no land in unclaimed property, it's mostly in the form of cash.

Hearing closed.

Committee reconvened for discussion on 2-1-01.

Senator Stenchjem: What right does the state have to keep interest earned?

Senator Espgaard: The money goes to a school fund and this would have a big fiscal impact on the state. When does the state ever get principal amount or liquidate property?

Senator Stenchjem: Senator Trenbeath please do research on this.

Committee closed.

Committee reopened on SB 2207 on 2-8-01.

Senator Trenbeath moves to Do Pass. Seconded by Senator Espgaard. Roll Call taken. 6-0-0.

Floor carrier is Senator Espgaard.

Committee closed.

FISCAL NOTE

Requested by Legislative Council
01/16/2001

Bill/Resolution No.: SB 2207

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	(\$24,000)	\$0	(\$24,000)
Expenditures	\$0	\$0	\$0	\$25,800	\$0	\$10,800
Appropriations	\$0	\$0	\$0	\$15,000	\$0	\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	(\$49,800)	\$0	\$0	(\$34,800)

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

If this bill becomes law, the Common Schools Trust will pay approximately \$12,000 in interest and dividend income annually, plus the Land Department will need to spend a portion of its appropriation to track dividends and interest on unclaimed property (.25 of one FTE = \$5,400 every fiscal year, plus at least \$15,000 software development costs in FY2002 only.) Any money we spend on operations is money that would have gone to our educational trusts.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

\$12,000 in lost interest and dividend income annually for the Common Schools Trust (estimate of accrued dividends and interest that would be paid.)

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

25% of one FTE @\$1,800 per monthtimes 24 months = \$10,800 for the biennium, plus we would need to spend at least \$15,000 in software development costs in the first fiscal year of the 2001-2003 biennium.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The \$15,000 software development cost is not included in our 2001-2003 Executive Budget recommendation.

Name:	Robert J. Olhelser	Agency:	Land Department
Phone Number:	8-2800	Date Prepared:	01/18/2001

2-8

2208

Committee



Action Taken

Seconded
By

1
2
4
3

6

Q

Es regard

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 9, 2001 2:06 p.m.

Module No: SR-24-2893
Carrier: Espegard
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2207: Transportation Committee (Sen. Stenehjem, Chairman) recommends DO PASS
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2207 was placed on the
Eleventh order on the calendar.

2001 HOUSE TRANSPORTATION

SB 2207

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2207

House Transportation Committee

☐ Conference Committee

Hearing Date March 1, 2001

Tape Number	Side A	Side B	Meter #
1		x	1,656
Committee Clerk Signature <i>Laurie L. Pink</i>			

Minutes: Rep. Weisz - Chairman opened the hearing on SB 2207; A BILL for an Act to create and amend section 47-30.1-21.1 of the North Dakota Century Code, relating to the crediting of dividends, interest, or increments to an owner of unclaimed property; and to amend and reenact subsection 3 of section 47-30.1-24 of the North Dakota Century Code, relating to the payment of unclaimed property claims.

Sen. Stenehjem: I am the prime sponsor of SB 2207. It does deal with interest and dividends on unclaimed property. I have here today a constituent who has a prime interest in this bill. He can go through his story with you. We see it as a fairness issue. Mr. Deibert is here.

John Deibert: I am a private citizen. I am from Bismarck. Mr. Deibert spoke from prepared written testimony. A copy of his testimony is attached.

Rep. Weisz - Chairman (1787) Your whole point to this bill is that your have dividends and interest which Realist has paid to you but that they are withholding it from you? It is not the principal itself is it?

John Deibert: What happens is when these financial corporations is when they can't locate the property owner -- they turn it over to the unclaimed property department -- after a certain period of years -- for the purpose -- and this of course, sent to them as the Unclaimed Property Department as the trustee on behalf of the property owner. Then it goes into the common schools trust account. They invest it and keeps the interest. When the claim owner makes a claim to this particular fund. The Unclaimed Property Department pays the owner as they did in my case -- on the first 500 and some dollars I got. But you see that money was accumulated prior to the repeal of that particular section of the statute. The only reason I am here now -- you are trying to put this back in again.

APPEARING IN OPPOSITION:

Linda Fisher: I am the Unclaimed Property Administrator of the State Land Department. Her prepared remarks are attached.

Rep. Weisz - Chairman (3170) If whatever Realist -- they sent the stock to you because they couldn't find the owner -- then the dividends on that same stock was sent to you -- correct?

Explain why they aren't just put into the account of John Doe? Why is it more difficult for the Land Department now to worry about a \$20 or \$50 check if you already are sitting there with the stock in --- a least walk through why ---

Linda Fisher: The stock or the money that comes in with the stock is easy. That gets put into that account and it stands and that is solid. Where the problem comes in is that we deposit all of our stock certificates into a custodial account in a street name. So when we received Mr. Deiberts property, we also received property from 75 or a 100 others owners. When the dividends come on that property they will come not as for John Deibert but they will come dividends for the

entire 100 or 75 shares that we own -- in a big check. What we have to do then is each month when the dividends come in or quarterly or however each issue happens to distribute their dividends we would have to break out how many owners are in the pool at that time, how many shares each of those owners have at that particular time and then distribute those out to each owner.

Rep. Weisz - Chairman (3339) You are telling me that Realistar is sending one check for all the stock that you hold and that is now longer sending the dividend checks based on the basic owners of the stock?

Linda Fisher: That is correct. Realistar is not sending them to us--they are coming from our custodian -- one line item with the entire amount of dividends for how many owners there are.

Rep. Jensen: (3386) I can sympathize with the position that both sides have presented to us but I am really concerned about an individual would have a tax liability for something he didn't ever receive. Do you have a way of remedying that problem?

Linda Fisher: I am not sure how all that works because our agency does not issue 1099's. I don't know how that comes together because it didn't come from us. Maybe it was on the original shares -- I can't answer that. That is something I have not heard of before.

Rep. Schmidt: (3491) You mentioned that \$33 is a small amount for the paper work, should committee perhaps look at this - - raising that? Would \$50 -- then send it out?

Linda Fisher: I am not sure I understand you question -- we are just saying that -- that was for discussion purposes -- that would be about the amount the dividends people would get -- now we're keeping dividends for managing the account -- it is a small amount that we are keeping --

kind of for managing the account -- we don't charge any fees for people to people who recover their property -- so that is what that is.

Rep. Schmidt: (3585) Thirty-three dollars might be an average -- you might have some that are 75 or 80 dollars -- to me that is quite a sum of money -- to some people -- maybe we should set a limit -- after \$50 it should be sent out.

Linda Fisher: That is something we could look at -- but that would not change the administrative cost of tracking -- it isn't the sending out that costs, it is the tracking -- we have like I said -- over 30,000 owners - with our limited staff we would be better-off to spend more resources on personnel for outreach programs, etc. For our 30,000 than more on the 1200 owners.

Rep. Grumbo: (3710) You told us of your efforts you put forward in notifying people or trying to find them --- these numbers you gave us -- are people you can not locate in any --?

Linda Fisher: These are people that since the law became effective in 1975 -- that is the cumulative number of owners we have that not been paid. We do have several outreach efforts --one is an annual publication in every county newspaper in the state -- one is where cyber people can look up their names and their neighbors names -- one is that we go to the State Fair each year and set up a booth that has the list of all the owners -- we are looking at expanding some this next year. A lot of this property comes to us with insufficient address -- that is why we got it the first place.

Rep. Grumbo: (3838) What is the total amount of dollars that are in the account now?

Linda Fisher: The is about \$16 million right now waiting to be cleared.

Rep. Carlson: (3874) In 1995 -- I probably voted for the legislation -- our thought was that we would try to protect the funds -- maintaining those until the owners could be - Am I correct?

Linda Fisher: Yes that is definitely a part of it -- yes.

Rep. Carlson: (3926) The dividends themselves are yours -- the actual stock still belongs to whose ever's name is on the stock --

Linda Fisher: Absolutely and any stock splits as well.

Rep. Weisz - Chairman (3973) and any dividends which were sent with the stock and any property that is identified with the owners name on it when you get it is --

Linda Fisher: Yes

Rep. Ruby: (3996) Do you find that there problems some times in that the places are not really looking the people who have some property -- because we had some property that was for a business for a hospital and we were doing business with the hospital-- we were billing them -- they were billing us -- for different things and for some reason some money or over payments we had made -- was given to your office and do you think there should be some revamp of requiring people to look a little harder the money gets put in there (with you)?

Linda Fisher: I agree with you . There is a law that requires them to make a diligent search and try to inform these people but quite frankly we have an audit staff of one person. There is only so much we can do to make sure these companies do anything under the law -- hundreds of companies don't report to us at all. Our custodial trusteeship is supposed to be the last resort. I agree with you.

There being no other persons wishing to testify either for or against SB 2207, Rep. Weisz -

Chairman closed the hearing for receipt of any further testimony. (4206).

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2207B

House Transportation Committee

☐ Conference Committee

Hearing Date March 1, 2001

Tape Number	Side A	Side B	Meter #
2	x		2,235
Committee Clerk Signature <i>Laurie B. Fisher</i>			

Minutes: Work session - 2:30 PM after the opening roll call Rep. Weisz - Chairman opened the discussion on SB 2207.

Chairman Weisz had asked Linda Fisher, Unclaimed Property Office, State Land Department to return for these discussions to answer questions the committee may have. Linda Fisher was asked to explain again the history of Mr. Deibert's account and the steps Realistar had taken to get the dividends to the Unclaimed Property office and subsequent developments.

Rep. Carlson: I move a 'Do Not Pass' for SB 2207.

Rep. Kelsch: I second that motion.

On roll call vote: Motion carried with 7 yeas 4 nays 3 absent.

Rep. Carlson was designated to carry SB 2207 on the floor.

Date: 3/1/01
Roll Call Vote #:

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB - 2207

House Transportation Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Rep. Carlson Seconded By Rep. Kelsch

Representatives	Yes	No	Representatives	Yes	No
Robin Weisz - Chairman	✓		Howard Grumbo	✓	
Chet Pollert - Vice Chairman	✓		John Mahoney		✓
Al Carlson	✓		Arlo E. Schmidt		✓
Mark A. Dosch	✓		Elwood Thorpe	A	
Kathy Hawken		✓			
Roxanne Jensen	A				
RaeAnn G. Kelsch	✓				
Clara Sue Price	A				
Dan Ruby		✓			
Laurel Thoreson	✓				

Total (Yes) 7 No 4

Absent 3

Floor Assignment Rep. Carlson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 2, 2001 7:39 a.m.

Module No: HR-36-4647
Carrier: Carlson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2207: Transportation Committee (Rep. Weisz, Chairman) recommends DO NOT PASS
(7 YEAS, 4 NAYS, 3 ABSENT AND NOT VOTING). SB 2207 was placed on the
Fourteenth order on the calendar.

2001 TESTIMONY

SB 2207

Digging up lost trea

8/2/98

Billions in unclaimed property funds wait for owners to

JOE GARDYASZ
Bismarck Tribune

Ever find a \$20 bill you had
ked away somewhere and had
gotten about?

Now imagine how nice it would
to find a whole checking account
u forgot to close somewhere, or a
e fat dividend check that was
it to your old address.

Little wonder that billions in
claimed dollars are in limbo,
ing held in trust by state govern-
nts.

In North Dakota alone, more
an 20,000 current or former resi-
nts are entitled to a share of more
an \$11 million held by the state's
claimed Property Division.

Last year the division took in
ore than \$2.25 million in
claimed funds and returned more
an 900 claims totaling \$964,172.

"We've been receiving more and
ore each year, and returning more
ich year," said Steve Brandom,
nclaimed property administrator
r state.

Heightened awareness,
oth the part of the holders
quired to turn over abandoned
roperty and the public, says Bran-
om.

Abandoned bank accounts make
p the majority of the unclaimed
oney held by the state, Brandom
aid. The largest single claim he's
een was about \$100,000 in aban-
oned bank
leposits.

Other com-
on types of
abandoned
roperty
nclude:

■ Incashed
checks.

■ Stock
shares and
dividend
checks.

■ Insur-
ance pro-
ceeds.

■ Mineral
royalties.

■ Utility
deposits.

Life deposit box contents.

word is getting out, it has
been," said Valerie Jundt, executive
director of the National Association
of Unclaimed Property Admin-
istrators. "But it's surprising that
there are people out there who
don't realize there are unclaimed
property laws."



Valerie Jundt
helps people
find a fortune.



Unclaimed Property Administrator **Steve Brandom** checks the Internet for sites on unclaimed funds p

Formerly the state's unclaimed
property administrator, Jundt is
now the association's sole staff
member, working out of a basement
office in her Bismarck home.

While the states are responsible
for educating the public about
unclaimed property, her organiza-
tion has been getting coverage from
national television networks. For
instance, in July, NBC's "Dateline"
interviewed her for a feature on
unclaimed property.

The No. 1 thing people should be
aware of, Jundt said, is they do not
have to pay anybody a fee or per-
centage for finding their unclaimed
property — It's a service provided
free by states.

North Dakota, like every state,
has laws requiring holders of
unclaimed funds to turn them over
to the state, generally two to three
years after contact is lost with the
owner.

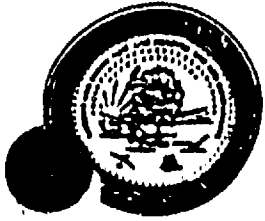
In North Dakota, that money
goes to the State Land Department.
The department then invests the
money in the Common Schools
Trust Fund, which retains the inter-
est earned.

The principal amounts are held
in perpetuity until returned to the
owners.

Besides educating the public, the
association's goal has been to work

with the state administrators to
ensure compliance with state laws,
Jundt said. "Because obviously if
you don't have compliance you
aren't going to get money back to
the owners."

North Dakota's Land Department
has two auditors who specialize
entirely in reviewing compliance by
holders of unclaimed property.



STATE OF NORTH DAKOTA
OFFICE OF ATTORNEY GENERAL

STATE CAPITOL
600 E BOULEVARD AVE
BISMARCK ND 58505-0040
(701) 328-2210 FAX (701) 328-2226

Heidi Heitkamp
ATTORNEY GENERAL

August 6, 1999

Mr. John Deibert
613 Yorkshire Lane
Bismarck, ND 58504-7357

RE: Unclaimed Property

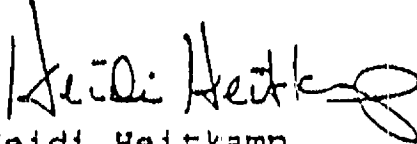
Dear Mr. Deibert:

Thank you for your recent letters to my office regarding stock and dividends from ReliaStar Financial Corporation that were returned to you by the Unclaimed Property Division of the State Land Department.

It is my understanding that the Unclaimed Property Division recently returned a total of 224 shares of ReliaStar Financial Corporation stock to you, which represented the original 112 shares which had been remitted to the state as unclaimed property on May 28, 1997, and an additional 112 share which resulted when the stock split on September 10, 1997. In addition to the stock, the Unclaimed Property Division also returned in dividends that had been remitted to the state along with the original 112 shares of stock.

You believe you are entitled to an additional in dividends which were paid during 1997 and 1998. Under an old law, you would have been entitled to this money. But that law, North Dakota Century Code (N.D.C.C.) § 47-30.1-21, was repealed by the 1995 Legislature. Consequently, the Unclaimed Property Division no longer pays dividends or interest accrued during the time the property is held by the Division. The Division's practice is consistent with the law, and accordingly, I cannot advise them to reconsider their actions. You may wish to contact your legislators regarding your concerns.

Sincerely,


Heidi Heitkamp
Attorney General

M/vjk

*Sorry that this
took so long
to get to you.*

YOUR VIEWS

State won't fork over property

Bismar Tribune - 8/24/99

JOHN DEIBERT, Bismarck

I address a charge in the law made by the 1995 Legislature.

I acquired 112 shares of stock by a financial services company in 1993 and another 112 shares in September 1997. Although the company had possession of my resident address dating back to Feb. 1, 1994, it referred the shares to the North Dakota Unclaimed Property Division, along with quarterly dividends through March 31, 1999, which dividends constitute a sizable amount.

Interest, dividends and increments on shares of stock is, or was, governed under Section 47-30.1-21 of the North Dakota Century Code. In my attempt to recover my dividends, I was advised by the Unclaimed Property Division on June 18 of this year, and by the attorney general on Aug. 5, that this section of law was repealed by the 1995

Legislature, and that dividends paid to the state, as trustee on my behalf, now remain the property of the state, which is no longer required to return dividends to the owner, effective July 1, 1995.

Dividends are property rights that, in my opinion, may not be circumvented by legislative acts. Without question, the action of the 1995 Legislature constitutes a property-entitlement violation, to the unjust — and probably unconstitutional — enrichment of the state.

According to information furnished me by the Unclaimed Property Division, the state holds approximately \$7 million in unclaimed property. I am of the opinion that the Legislature opened a can of worms by repealing that section of the statute, and its action deserves a legal challenge.

It would appear that my dividend entitlements have been, if I may, confiscated by the state as a result of a legislative act.

Phone: (701) 328-2800
Fax: (701) 328-3650
www.land.state.nd.us

North Dakota
STATE LAND DEPARTMENT
UNCLAIMED PROPERTY DIVISION
1707 N 9th Street
PO Box 5523
Bismarck, ND 58506-5523



Robert J. Olheiser
COMMISSIONER

February 28, 2000

JOHN DEIBERT
613 YORKSHIRE LANE
BISMARCK ND 58504

RE: Unclaimed Property

Dear Mr. Deibert:

State Representative Ron Carlisle forwarded a copy of your letter and enclosures concerning unclaimed property to me and asked me to respond with any information we could provide. The five Land Board members, Representative Carlisle and Senator Bob Stenehjem will all receive a copy of this letter.

Essentially, you are troubled by the fact that the current unclaimed property statutes in North Dakota do not provide for the payment of dividends during the time that we hold unclaimed property. You correctly stated that this provision of the law was changed in the 1995 legislative session. I testified on HB 1090 in the 1995 session and am able to provide first-hand comments on the motives and reasons this section of the law was changed. Contrary to the statements you made in your letter, the motives behind this change did not result in "back door" legislation. The legislative committee that heard the testimony on HB 1090 knew exactly what the legislation did and why it was proposed.

The simple fact is that this section of the law was changed so we would not have to increase the cost of government by funding positions that would keep track of dividends. Tracking dividends is time-consuming and labor-intensive and we do not have people in the Land Department with idle time. If we were to track dividends, we would need funding for additional people to do so. Our motives in 1995 were just that straight-forward! Everyone wants state agencies to operate on smaller budgets and when we cut those budgets some services have to go. In our case, we gave up the tracking of dividends.

John, in your letter you indicated that you were contacted by EquiSearch, "advising they had located unclaimed property in [your] name." I think it is highly probable that EquiSearch would not have known to contact you if your name did not appear on the list of unclaimed property owners that our Department publishes for North Dakota. By your own admission in your letter, you "...did not purchase this stock, nor was I aware that I had acquired this stock..." In this regard, your situation is not unique and is precisely why unclaimed property legislation was passed originally. By definition we receive property that owners do not know they have. If they have a question about it, it is up to the owners to find out from the holders how and why this property was sent to us and not to them. But until owners claim their property, the law designates the Common Schools Trust Fund (public grades K-12) as the beneficiary to receive the income generated from unclaimed property. I believe the most important fact is that the law protected your original property, in your name, which is how you received 224 shares of stock that you didn't know you had. That's good.

John Deibert
613 Yorkshire Lane
Bismarck ND 58504
February 28, 2000 - Page 2

Now specifically on your question of dividends - as the Director of the Land Department I will provide for the tracking of dividends if the Land Board or the legislature directs me to do so, and gives us the resources (people and funding) to do the job correctly. In your letter you spoke about state agencies' self-serving interests. I'm sure you can understand how self-serving it appears when an agency comes to the legislature and asks for more money and positions. Often such a request is viewed as "empire building". In my years as a public administrator I have not initiated requests for additional positions and if you believe we should be tracking dividends, then I suggest you ask your legislators to have legislation drafted to do so, plus provide the necessary funding, and then the idea will once again receive consideration by the full legislative assembly.

I realize this letter does not "solve" your specific concern because the law today is what it is. But if you think the law is wrong, then work to change it for the future. Like I said earlier, as the agency director I will do what we are provided the authority and the resources to do.

Sincerely,



Robert J. Olheiser
Commissioner

cc: Land Board Members
Rep. Ron Carlisle, P.O. Box 222, Bismarck, ND 58502-0222
Sen. Bob Stenehjem, 7475 41st Street SE, Bismarck, ND 58504-3200
Linda Fisher, Unclaimed Property Administrator

March 5th, 2000

North Dakota State Land Department
1707 N. 9th Street
P. O. Box 5523
Bismarck, North Dakota 58506-5523

Ref: North Dakota Unclaimed Property Division
House Bill # 1090 - Section 47-30.1-21 NDCC
1995 Legislative Repeal

Dear Mr. Olheiser:

I am in receipt of your letter dated 2/28/00 with respect to the above referenced.

Paragraph Three (3) of your letter suggests that by virtue of "Smaller budgets . . . some services have to go." This does not justify confiscating property entitlements paid to the State by ReliaStar Financial Corporation, as trustee on my behalf.

Paragraph Four (4) of your letter, you suggest EquiSearch acquired knowledge of my property by virtue of the States publication of unclaimed property. Enclosed find a copy of the letter sent me by EquiSearch, dated 12/10/92. EquiSearch located this property consisting of 56 shares of stock issued me by Northwestern National Life Insurance Company, through NorWest Bank of New York, NY. This 56 shares of stock was issued on 1/4/89. The North Dakota Unclaimed Property Division did not receive the unclaimed property until 5/28/97, consisting of 112 shares of stock, as a result of a split on 5/21/93. Further, the State received the property under the name of ReliaStar Life Insurance Company, rather than Northwestern National Life by virtue of a corporate name change on 1/8/96. While the law may have protected my shares, this obviously is not true of my entitled dividends. I fail to understand why you bothered to make reference thereto, since certificates of stock are not in issue.

Your letter fails to mention that the State Land Department has several auditors, at tax payer expense, who specialize reviewing compliance by institutions as holders of unclaimed property, SUPPOSEDLY to be held in trust for the property owner.

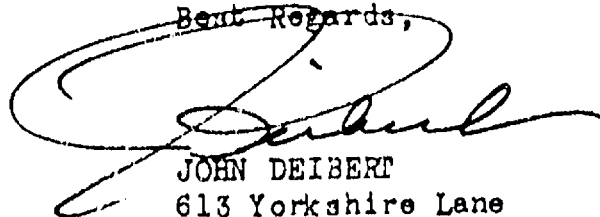
You also failed to mention that your department in 1997, took in more than \$2.30 million dollars in unclaimed property, which amount has been significantly increasing annually.

The issue is not if the State Land Department has sufficient funds or man power to locate property owners, tracing of property interests or protecting shares of stock. In fact, your position appears to be inconsistent with the intent of having established and maintaining an unclaimed property division, not to mention that the statute, as is, is inconsistent with that of bordering States.

The issue is REPEAL of Section 47-30.1-21 NDCC, whereby owners are unjustly denied dividend and interest property entitlements as a result thereof.

Repeal of the referenced section of the statute, has for all intent and purposes given the State Land Department the authority to receive unclaimed property, and dump it into the Common School Trust Fund. This I would suggest, constitutes "Empire Building," at the expense of owner property entitlements, irrespective of legislative motivation.

~~Best Regards,~~

A large, stylized handwritten signature in dark ink, appearing to read 'Deibert', is written over the typed name and address.

JOHN DEIBERT
613 Yorkshire Lane
Bismarck, No. Dakota 58504
Tel #: 222-4052

John Deibert
613 Yorkshire Ln
Bismarck, ND 58504-7357

November 15th, 2000

ATTENTION: Sen. Robert W. Stenehjem
Rep. Ron Carlisle
Rep. David Weiler

Ref: North Dakota Unclaimed Property Division
House Bill # 1090 - Section 47-30.1-21 NDCC
1995 Legislative Repeal

Subj: 2001 Legislative Session - HB 1066 and SB 2207

Dear Legislators:

Pursuant to our conference of 7/28/00 and State Elections now behind us, the time has come to pursue legislation for the 2001 Legislative Assembly to address.

On 2/7/00, 2/26/00 and 3/5/00, I furnished each of you with several exhibits with respect to the above referenced matter. Included therein was a letter directed to me by Mr. Robert Olheiser dated on 2/28/00.

Having again reviewed the 1995 Session Laws, HB #1090 heard by the Agriculture committees, I find that Twelve (12) sections and/or sub-sections were to be amended and re-enacted, commencing with section 47-30.1-02 through 47-30.1-35, and in addition, to repeal sections 47-30.1-19 and 47-30.1-21 of the N.D.C.C. We are concerned with section 47-30.1-21.

Mr. Olheiser's letter, paragraph Two (2) thereof, states: "The (1995) legislative committee(s) that heard the testimony on HB 1090 knew exactly what the legislation did and why it was proposed." He also stated repeal was a result of insufficient administrative funding and manpower. I suggest these and other statements therein lack credibility and departmentally self serving.

Mr. Olheiser is suggesting that House and Senate Committee Legislators, along with Floor Assemble Legislators, having been FULLY informed as to the consequences of repeal, "Knowingly, Wantonly and Deliberately" voted to give HB # 1090 "Blanket passage" with the specific INTENT to deny North Dakota recipients dividend and interest property entitlements entrusted to the State, in perpetuity, on behalf of several thousand recipients. Perpetuity is defined as: "Never ceasing or unlimited in time."

I refer you to the Bismarck Tribune article dated 8/2/98, as highlighted and enclosed, which may have furnished you previously.

Further, I bring to your attention SB # 2327 introduced by the North Dakota Retailers Association during the 1997 Legislative Session with respect to "Gift Certificates," which also were required by law to be reported as unclaimed property. This Bill was introduced to eliminate that requirement. SB # 2327 passed the legislature, even though Mr. Olheiser strenuously testified in opposition to passage in an attempt to retain this property for State coffers. I submit, that State Land Department motives again were to suppress or deny owner property entitlements.

I refer you to paragraphs Five (5) and Seven(7) heretofore. Since Gift Certificates, Dividends or Interest are/were within a like category as to unclaimed property, why would the State Land Department have sufficient funding and man power to administer one and not the other? I concluded, nor am I unique in this conclusion, it goes to surreptitious motivation.

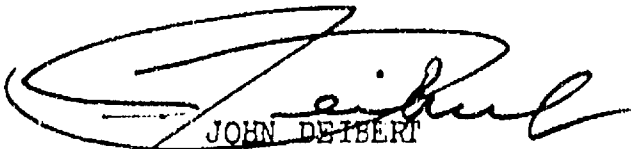
Enclosed Attorney Generals letter of 8/6/99, in part states: "The division's practice (Denying dividends of \$443.00) is consistent with the law," as if any such foolishness that is or may otherwise be legal or consistent with the law, is likewise justified? Justified it most assuredly is not.

Lest we forget: Constitutional freedoms, property entitlements and individual rights and privileges, once circumvented or alienated, are merely, or meaningless WORDS when there's nothing LEFT to lose.

Therefore; pursuant to my letter of request to you dated 2/26/00, I again respectfully request you pursue reinstatement of Section 47-30.1-21 NDCC. It is incumbent upon, if not mandatory, the 2001 Legislature reenact/reinstate the repealed section of the statute, as reference heretofore.

Thanking you for your consideration, I am

Sincerely,



JOHN DEIBEL
(701) 222-4052

JOHN DEIBERT
613 YORKSHIRE LN
BISMARCK, ND 58504-7357

February 2001

Ref: 2001 Legislative Bill - SB #2207 and HB #1066

Mr. Chairman:

I appear to address the above referenced bill, which was introduced to accomplish the following:

1. To Re-enact Section 47-30.1-21 of the North Dakota Century Code, which was repealed by the 1995 legislature, pursuant to then HB 1090, and
2. To return dividends and interest property entitlements to its rightful owner claiming ownership thereof, which has been denied as a result of a 1995 legislative repeal, of which I was a victim.

NARRATIVE EXPLANATION:

Having acquired a life insurance policy in 1957, I also acquired an equity in ReliaStar Life Insurance Company. In 1989 ReliaStar demutualized and required to remit to me my equitable interest therein. They alledged that at the time they were unable to locate me and issued 56 shares of stock on 8/3/89, on my behalf.

In 1993 the 56 shares split to 112 shares. In 1997 the 112 shares split to 224 shares, none of which I was aware.

ReliaStar Insurance between 8/3/89 and 3/31/99, remitted dividends and/or interest accumulated to the North Dakota Unclaimed Property Division, in the total sum of \$1,015.43.

The first 112 shares of stock and dividends, although received by the Unclaimed Property Division sometime in 1996, were not entered into their computers until 5/28/97. On 8/7/98 I made claim to the shares and proceeds, receiving a certificate for 112 shares of stock and \$571.87 in dividends.

Allow me to point out, that the Unclaimed Property Division on 8/7/98 at the time I made claim to the first 112 shares, failed either purposely or inadvertently, to mention the additional accumulated shares and dividends, which I brought to their attention in February 1999.

On 4/23/99, I received a letter from the Unclaimed Property Division, stating they had entered into their computers an additional 112 shares of stock and furnish me with a certificate at a later date.

On 6/8/99, I received a certificate from the Unclaimed Property Division for the additional shares, however failed to remit \$443.56 in dividends having accumulated thereon between 9/1/97 and 6/8/99.

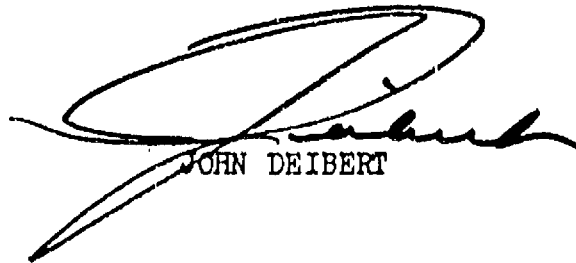
At this point, I pursued the matter of dividends and on 8/6/99, the North Dakota Attorney General advised me of the 1995 legislative repeal.

On 1/25/2001, a representative of the Unclaimed Property Division testified on SB # 2207, indicating I was the only recipient of several thousand, taking issue with respect to the 1995 repeal.

That being said, it would therefore appear, that unless a recipient had, as I did, "Specific" knowledge of dividends or interest in their possession, the State had no obligation to reveal that fact, since, by virtue of the 1995 repeal were not obligated to return dividends and interest. To have done so, would have been departmentally self defeating, exposing the legislative repeal of 1995, and subjecting themselves to a multitude of individual demands by other recipients.

Further, not only was I denied \$443.56, having received IRS form # 1099R from ReliaStar Financial Corporation, I need to assume I also acquired a Federal and State tax liability thereon.

Respectfully submitted.



JOHN DEIBERT

Phone: (701) 328-2800
Fax: (701) 328-3650
www.land.state.nd.us

North Dakota
STATE LAND DEPARTMENT
1707 N 9th Street
PO Box 5523
Bismarck, ND 58506-5523



www.discovernd.com

TESTIMONY OF LINDA FISHER
Unclaimed Property Administrator

IN OPPOSITION TO
SB 2207
House Transportation Committee

March 1, 2001

The North Dakota Uniform Unclaimed Property Act (NDCC 47-30.1) provides for the collection, advertising, and return of property to the individual or business that can provide proof of ownership. Under current state law, remitted principal is held in trust, on behalf of the owner, forever. **There is no charge to owners for the recovery of their property.**

In 1995, at the Land Board's request, the legislature abolished the requirement that dividends on stock and interest on bonds, earned while the property is in our custody, be paid to owners. This was due largely to the fact that accounting for volumes of small dividend checks and assigning those amounts to individual shareholders is unproductively time consuming and costly. That fact remains true today.

Currently, any interest or dividends, earned on property in our custody is distributed to the Common Schools Trust Fund. The simplicity of the current law eliminates the need for our limited staff to track and maintain detailed information for individual owners.

However, since 1995 the Board received criticism of this statute from at least one individual, and in the interest of fairness to unclaimed property owners, felt it was time for this issue to be discussed once again in a legislative forum.

Following are a few statistics that may be relevant to the discussion.

- 1) To date, we have approximately 29,000 unpaid owners on record (approximately 1,150 are stock owners).
- 2) Based on the amount of dividends we currently receive on our portfolio, if every active stock owner in our database claimed their property, the average dividend would be \$33.95.

We have submitted a fiscal note on this bill which may generate some questions as well.