

**FIRST ENGROSSMENT
with Senate Amendments**

Fifty-eighth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1013

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the commissioner of
2 university and school lands; to provide for distribution amounts from permanent funds; to create
3 and enact a new section to chapter 47-30.1 of the North Dakota Century Code, relating to
4 property unclaimed by state agencies; and to amend and reenact subsection 3 of section
5 47-30.1-12, sections 47-30.1-18 and 47-30.1-19.1, subsection 7 of section 47-30.1-20, section
6 47-30.1-21.1, subsection 1 of section 47-30.1-22, and sections 47-30.1-24 and 47-30.1-35 of
7 the North Dakota Century Code, relating to the enforcement of the Uniform Unclaimed Property
8 Act.

9 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

10 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
11 funds as may be necessary, are appropriated from special funds derived from the state lands
12 maintenance fund and the oil and gas impact grant fund in the state treasury, not otherwise
13 appropriated, to the commissioner of university and school lands for the purpose of defraying
14 the expenses of the commissioner of university and school lands, for the biennium beginning
15 July 1, 2003, and ending June 30, 2005, as follows:

16 Salaries and wages	\$1,876,162
17 Operating expenses	722,572
18 Capital Assets	37,000
19 Grants	4,888,100
20 Contingencies	<u>50,000</u>
21 Total special funds	\$7,573,834

22 **SECTION 2. OIL AND GAS IMPACT GRANT FUND.** The amount of \$5,000,000, or
23 so much of the amount as may be necessary, included in the total special funds appropriated in
24 section 1 of this Act may be spent from the oil and gas impact grant fund by the commissioner

1 of university and school lands for the purpose of providing oil and gas development impact
2 grants and the administration of the oil and gas development impact grant program for the
3 biennium beginning July 1, 2003, and ending June 30, 2005.

4 **SECTION 3. GRANTS.** Section 54-44.1-11 does not apply to appropriations made for
5 oil impact grants in section 1 of this Act.

6 **SECTION 4. APPROPRIATION LINE ITEM TRANSFERS.** Upon approval of the
7 board of university and school lands, the commissioner of university and school lands may
8 transfer from the contingencies line item in section 1 of this Act to all other line items except the
9 capital assets line item. The commissioner shall notify the office of management and budget of
10 each transfer made pursuant to this section.

11 **SECTION 5. DISTRIBUTIONS TO STATE INSTITUTIONS.** Notwithstanding section
12 15-03-05.2, during the biennium beginning July 1, 2003, and ending June 30, 2005, the board
13 of university and school lands shall distribute the following amounts, or so much income as may
14 be available, from the permanent funds managed for the benefit of the following entities:

15 North Dakota state university	\$1,132,000
16 University of North Dakota	946,000
17 Youth correctional center	396,000
18 School for the deaf	322,000
19 North Dakota state college of science	339,200
20 State hospital	325,200
21 Veterans' home	269,200
22 Valley City state university	268,000
23 North Dakota vision services - School for the blind	247,200
24 Mayville state university	186,000
25 Minot state university - Bottineau	33,200
26 Dickinson state university	33,200
27 Minot state university	<u>33,200</u>
28 Total	\$4,530,400

29 **SECTION 6.** A new section to chapter 47-30.1 of the North Dakota Century Code is
30 created and enacted as follows:

1 **Claims by state agencies - Budget section report.** Within one year of receipt of
2 state agency property, the administrator shall notify the agency by certified mail. The
3 commissioner of university and school lands shall present a report to the budget section of the
4 legislative council identifying every state agency that has not submitted a claim for property
5 belonging to that agency within one year of the receipt of the date of the certified mail receipt.

6 **SECTION 7. AMENDMENT.** Subsection 3 of section 47-30.1-12 of the North Dakota
7 Century Code is amended and reenacted as follows:

8 3. For the purpose of this section, a person who holds property as an agent for a
9 business association holds the property in a fiduciary capacity for that business
10 association alone, unless the agreement between the ~~person~~ agent and the
11 business association provides otherwise.

12 **SECTION 8. AMENDMENT.** Section 47-30.1-18 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **47-30.1-18. Notice and publication of lists of abandoned property.**

15 1. The administrator shall cause ~~a notice~~ two notices to be published not later than
16 October first of the year immediately following the report required by section
17 47-30.1-17 ~~at least once a week for two consecutive weeks~~ in a newspaper of
18 general circulation in the county of this state in which is located the last known
19 address of any person to be named in the notice. If no address is listed or the
20 address is outside this state, the notice must be published in the county in which
21 the holder of the property has its principal place of business within this state.

22 2. ~~The published notice~~ One of the annual notices must be entitled "Notice of Names
23 of Persons Appearing to be Owners of Abandoned Property" and contain:

24 a. The names in alphabetical order and last known address, if any, of persons
25 listed in the report and entitled to notice within the county as specified in
26 subsection 1.

27 b. A statement that information concerning the property and the name and last
28 known address of the holder may be obtained by any person possessing an
29 interest in the property by addressing an inquiry to the administrator.

30 3. One of the annual notices must be a display advertisement that contains
31 information on abandoned property and contact information for making an inquiry.

1 4. The administrator is not required to publish in the notice any items of less than fifty
2 dollars unless the administrator considers their publication to be in the public
3 interest.

4 ~~4.~~ 5. This section is not applicable to sums payable on traveler's checks, money orders,
5 and other written instruments for which the holder is not required to report the
6 name of the apparent owner.

7 6. The administrator may not publish in the notice any property clearly identified as
8 belonging to a state agency. Property presumed to be state agency property that
9 cannot be clearly identified as belonging to a specific agency also is exempt from
10 public notice requirements.

11 **SECTION 9. AMENDMENT.** Section 47-30.1-19.1 of the North Dakota Century Code
12 is amended and reenacted as follows:

13 **47-30.1-19.1. Abandoned property lists list - Preparation - Contents -**

14 **Confidentiality Exempt from open records law.** The administrator shall annually prepare
15 ~~two lists~~ a list with information about property paid or delivered to the administrator under
16 section 47-30.1-17.

17 1. ~~One~~ The list must refer to all securities and unclaimed funds ~~of~~ valued at fifty
18 dollars or more in the administrator's custody and must contain the ~~name and last~~
19 ~~known address of each person appearing from the holders' report to be entitled to~~
20 ~~the property and the name and last known address of each insured person or~~
21 ~~annuitant and beneficiary from the report of an insurance company.~~

22 2. ~~The second list must refer to property that has been in the administrator's custody~~
23 ~~for more than twenty-four months and must contain the following information:~~

24 a. The name and last known address of each person appearing from the
25 holders' report to be entitled to the property and the name and last known
26 address of each insured person or annuitant and beneficiary from the report
27 of an insurance company.

28 ~~b. The amount paid or delivered to the administrator.~~

29 ~~e.~~ The name of the person who paid or delivered the property to the
30 administrator.

31 ~~e.~~ c. A general description of the property.

- 1 d. The date on which the administrator received the property.
- 2 e. Other information the administrator deems appropriate for inclusion in the list.
- 3 ~~3. The lists described in this section must be updated annually.~~
- 4 4. 2. The lists list described in this section must be available for public inspection at all
- 5 reasonable business hours and copies of each list must be available to the public
- 6 for a fee to be set by the administrator.
- 7 ~~5. 3. Reports filed with the administrator under section 47-30.1-17 are not public records~~
- 8 ~~and are not open to public inspection until twenty four months after the date~~
- 9 ~~payment or delivery is made~~ an exempt record as defined in section 44-04-17.1.
- 10 With the exception of items to be included in the administrator's annual list and
- 11 publication, all other owner information is exempt from section 44-04-18.

12 **SECTION 10. AMENDMENT.** Subsection 7 of section 47-30.1-20 of the North Dakota

13 Century Code is amended and reenacted as follows:

- 14 7. Property removed from a safe deposit box or other safekeeping repository is
- 15 received by the administrator subject to the holder's right under this subsection to
- 16 be reimbursed for the actual cost of the opening and to any valid lien or contract
- 17 providing for the holder to be reimbursed for unpaid rent or storage charges. The
- 18 administrator shall require the owner to reimburse or pay the holder out of the for
- 19 any outstanding fees prior to claim approval on safe deposit box contents or sale
- 20 proceeds remaining after deducting the administrator's selling cost from safe
- 21 deposit box contents.

22 **SECTION 11. AMENDMENT.** Section 47-30.1-21.1 of the North Dakota Century Code

23 is amended and reenacted as follows:

- 24 **47-30.1-21.1. Crediting of dividends or increments on stock to owner's account.**
- 25 Whenever property in the form of stock is paid or delivered to the administrator under this
- 26 chapter, the owner is entitled to receive any dividends or other increments realized or accruing
- 27 on the stock for as long as the stock is held by the administrator, provided the total amount of
- 28 cash due the owner exceeds five dollars.

29 **SECTION 12. AMENDMENT.** Subsection 1 of section 47-30.1-22 of the North Dakota

30 Century Code is amended and reenacted as follows:

1 1. Except as provided in subsection 2, the administrator, ~~within~~ not less than three
2 years after the receipt of abandoned property, shall sell it to the highest bidder at
3 public sale in whatever manner affords in the judgment of the administrator the
4 most favorable market for the property involved. The administrator may decline
5 the highest bid and reoffer the property at a public sale if in the judgment of the
6 administrator the bid is insufficient. If in the judgment of the administrator the
7 probable cost of sale exceeds the value of the property, it need not be offered for
8 sale. Any public sale held under this section must be preceded by a single
9 publication of notice, at least two weeks in advance of sale, in a newspaper of
10 general circulation in the county in which the property is to be sold.

11 **SECTION 13. AMENDMENT.** Section 47-30.1-24 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **47-30.1-24. Filing of claim with administrator - Exempt from open records law.**

- 14 1. A person, excluding another state, claiming an interest in any property paid or
15 delivered to the administrator may file with the administrator a claim on a form
16 prescribed by the administrator and verified by the claimant.
- 17 2. The administrator shall consider each claim within ninety days after it is filed and
18 give written notice to the claimant if the claim is denied in whole or in part. The
19 notice may be given by mailing it to the last address, if any, stated in the claim as
20 the address to which notices are to be sent. If no address for notices is stated in
21 the claim, the notice may be mailed to the last address, if any, of the claimant as
22 stated in the claim. No notice of denial need be given if the claim fails to state
23 either the last address to which notices are to be sent or the address of the
24 claimant.
- 25 3. If a claim is allowed, the administrator shall pay over or deliver to the claimant the
26 property or the amount the administrator actually received or the net proceeds if it
27 has been sold by the administrator.
- 28 4. Documentation and information submitted by a claimant for the purpose of proving
29 ownership of the property is exempt from section 44-04-18.

30 **SECTION 14. AMENDMENT.** Section 47-30.1-35 of the North Dakota Century Code is
31 amended and reenacted as follows:

- 1 **47-30.1-35. Agreement to locate reported property.**
- 2 1. All agreements to pay compensation to recover or assist in the recovery of
- 3 property reported under section 47-30.1-17, made within twenty-four months after
- 4 the date payment or delivery is made to the administrator, are unenforceable.
- 5 2. An agreement entered ~~into~~ after such twenty-four-month period is enforceable only
- 6 if the agreement is in writing and the aggregate fee, compensation, or commission
- 7 charged is not in excess of ten percent of the amount recovered.