

2021 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2048

2021 SENATE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Fort Union Room, State Capitol

SB 2048
1/6/2021

relating to the uniform unclaimed property act
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Chair Klein opened the hearing at 1:45 p.m. All members were present. Senators Klein, Larsen, Burckhard, Vedaa, Kreun, and Marcellais.

Discussion Topics:

- Property not distributed correctly
- How to obtain unclaimed property

Jodi Smith, Commissioner and Secretary for the Board of University and School Lands [13:46] testified in favor and submitted testimony #10.

Levi Andreas on behalf of the American Council of Life Insurers [14:05] introduced. Bruce Ferguson.

Bruce Ferguson Senior Vice President of State Relations American Council of Life Insurers [14:06] via Zoom testified in favor and submitted testimony #57.

Chair Klein closed the hearing at 2:18 p.m.

Gail Stanek, Committee Clerk



**TESTIMONY OF JODI SMITH
COMMISSIONER
North Dakota Department of Trust Lands**

Senate Bill 2048

**Senate Industry, Business and Labor Committee
January 6, 2021**

Chairman Klein and members of the Senate Industry, Business and Labor Committee, I am Jodi Smith, the Commissioner and Secretary for the Board of University and School Lands (Board). I am here to testify in support of Senate Bill 2048.

The Department of Trust Lands (Department) is the administrative arm of the Board, serving under the direction and authority of the Board. The Board is comprised of the Governor, Secretary of State, Attorney General, State Treasurer, and Superintendent of Public Instruction. The Department's primary responsibility is managing the Common Schools Trust Fund (CSTF) and 12 other permanent educational trust funds. The beneficiaries of the trust funds include local school districts, various colleges and universities, and other institutions in North Dakota. The Department manages five additional funds: the Strategic Investment and Improvements Fund, the Coal Development Trust Fund, the Capitol Building Fund, the Indian Cultural Education Trust, and the Theodore Roosevelt Presidential Library and Museum Endowment.

The Department also operates the Energy Infrastructure and Impact Office (EIIO), which provides financial support to political subdivisions that are affected by energy development. Assistance is provided through both the oil and gas impact grant program and the coal impact loan program. The EIIO also distributes energy and flood grants carried over from prior biennia.

Additionally, the Department administers the Uniform Unclaimed Property Act, N.D.C.C. ch. 47-30.1. In this role, the Department collects "unclaimed property" (uncashed checks, unused bank accounts, etc.), processes owners' claims and engages in holder compliance. This property is held in permanent trust for owners to claim, with the revenue from the investment of the property benefiting the CSTF.

In order to understand the significant role the Unclaimed Property Division (Division) plays within the Department, it is important to define the meaning of "unclaimed property," the processes involved, and its history across the nation and in North Dakota. In this context, the term "property" includes tangible assets, such as the contents of a safe deposit box, and intangible assets, such as uncashed checks and abandoned bank accounts. When these assets have been inactive for

a statutory dormancy period they become “unclaimed property” and are subject to unclaimed property law.

There are essentially two components of the Division: collections and claims. Each component plays a distinctly different, but equally critical, role in the Division.

The collection component addresses holder compliance and education, including the collection, documentation, and holder’s transfer of assets to the Division. N.D.C.C. § 47-30.1-01(7) defines a holder as “a person, wherever organized or domiciled, who is: a. In possession of property belonging to another; b. A trustee; or c. Indebted to another on an obligation.” Annually, any business or entity conducting business in the state of North Dakota is statutorily mandated to review its financial records to verify it is not holding any assets that are unclaimed. If the business or entity discovers that it is in possession of such an asset, it is required to attempt to locate the rightful owner using the best information available to it as the holder. After the expiration of statutory dormancy period and unsuccessful attempts to reunite the owner with the property, the holder must transfer the asset and all the identifying information to the Division as part of its “holder report”. Once the State has assumed custody of the asset, it is held in perpetuity by the Department, and the Division proceeds to attempt to reunite the unclaimed asset with its rightful owner or heir.

The claims component addresses the reuniting of inactive, lost, misplaced, or unclaimed assets with the rightful owner or heir. “Owner” is defined as “a depositor in the case of a deposit, a beneficiary in case of a trust other than a deposit in trust, a creditor, claimant, or payee in the case of other intangible property, or a person having a legal or equitable interest in property subject to this chapter or that person’s legal representative.” N.D.C.C. § 47-30.1-01(12). Owners are required to submit documentation to the Division to establish ownership of the asset and verify the identity of the person filing the claim (the claimant).

In January 1975, Senate Bill 2079 was introduced relating to defining abandoned personal property, providing methods for the same to be taken into custody of the State; for its recovery by the rightful owner; for an administrator; for a penalty; and repeal of certain sections relating to unclaimed funds. The original bill proposed unclaimed property be administered by the Attorney General’s Office with the revenue generated benefiting the general fund. During committee deliberation in February 1975, it was determined there would be a division in the “state land commissioner’s office” known as the abandoned property office and the “state land commissioner” shall employ the “administrator” of the new unclaimed property office with the revenue from the interest earned benefiting the CSTF. The Forty-fourth Legislative Assembly passed Senate Bill 2079, creating North Dakota’s Unclaimed Property Division with the “state land department” and “state land commissioner” as the Administrators of this office.

Since 1975, the Division’s primary focus has been to reunite unclaimed property with its rightful owner. Due to the nature of unclaimed property, much of the property is reported to the Division because of a breakdown in communication between the holder and the owner, incomplete owner information, or inaccurate information, such as invalid mailing addresses. It is estimated that 1 in 7 North Dakotans have unclaimed property. There has been a steady increase in the amount of funds and reports received from holders, claims paid, and amount of funds returned to owners. The 2017-2019 biennium saw a total of 8,807 properties paid, resulting in \$7,355,430.95 returned to owners. Abandoned property reported to the Department totaled \$27,239,906.13 from the receipting of 5,365 holder reports and 67 safe boxes.

In 1954, the Uniform Law Commission developed the first Uniform Unclaimed Property Act in the United States, motivated by the importance of reuniting property with its rightful owner. Since its inception in 1954, the Act has been amended in 1966, 1981, 1995, and 2016, and adopted in some variation in all 50 states, Washington D.C., Puerto Rico, and three Canadian provinces. Every state has unclaimed property laws, which apply to all businesses, nonprofit organizations, government entities, and individuals who hold property owned by other persons or have fixed obligations to pay debts due to other persons.

In 1985, the Forty-ninth Legislative Assembly passed Senate Bill 2178 adopting the 1981 Uniform Unclaimed Property Act (1981 Act) with revisions. Since this time, the Division has complied with the 1981 Act. Although there have been revisions and additions to N.D.C.C. ch. 47-30.1, there has not been a complete overhaul of the chapter since 1985.

The Department is recommending the adoption of the 2016 Revised Uniform Unclaimed Property Act (RUUPA), which would result in the repeal of N.D.C.C. ch. 47-30.1 and the enactment of a new unclaimed property chapter at N.D.C.C. ch. 47-30.2. When reviewing the proposed legislation, you will note that the related sections of RUUPA are listed in parentheses after the new section of N.D.C.C. ch. 47-30.2. RUUPA provides necessary updates to the 1981 Act that keep with technological innovation and recognize new forms of property not included in the 1981 Act. RUUPA is the result of more than three years of study and drafting. The drafting committee considered thousands of pages of comments from more than 100 interested parties during the drafting process. RUUPA contains beneficial changes for consumers, states, and holders. Additionally, the Department worked with the Uniform Law Commission, the North Dakota Statutory Committee, and other partnering agencies who will be directly impacted by the implementation of RUUPA.

Since 2016, five states have implemented RUUPA with revisions. Additionally, there are four states that currently have RUUPA introduced for adoption. The Department has consulted with several states to best understand lessons learned and modify RUUPA accordingly. The Department has also been working with the Uniform Law Commission to ensure the proposed modifications do not deviate from the intentions set forth through the drafting of RUUPA by the Uniform Law Commission. Attached is a table outlining the modifications the Department has made from the original RUUPA and the justification for the modification.

Some of the benefits of RUUPA are:

- RUUPA clarifies which types of intangible property are covered. The following types of intangible property are now specifically included: virtual currency, payroll cards, stored-value cards, municipal bonds, health savings accounts, commissions, employee reimbursements, and custodial accounts for minors.
- RUUPA provides specific dormancy periods and establishes dormancy periods for many types of property for the first time. For example, a three year dormancy period was established for health savings accounts, custodial accounts for minors, payroll card accounts, and stored-owned value cards.
- RUUPA expands remedies for holders. If an administrator conducts an examination and determines that a holder is liable for unreported property, then the holder has several remedies under RUUPA. RUUPA provides for informal conferences between a holder and

the administrator. It also provides that a person in this state aggrieved by an audit that in any form requests payment of money or a civil penalty is entitled to a hearing before the board upon request. These provisions do not exist in the 1981 Act.

- RUUPA prioritizes information security. RUUPA establishes clear rules for the protection of confidential information and includes security-breach notification and response requirements.

N.D.C.C. §§ 47-30.2-04 through 47-30.2-14, as proposed, establish rules to determine if property is abandoned. Property is presumed abandoned if it is unclaimed by its apparent owner after a specified period of time (the dormancy period). The length of the dormancy period depends on the type of property. RUUPA establishes dormancy periods for some types of property that were not covered in previous versions of the Uniform Unclaimed Property Act, including health savings accounts, custodial accounts for minors, stored-value cards, and more. These sections also include rules for how and when the holder of the property must communicate with the apparent owner. RUUPA clarifies that property is not presumed abandoned if the apparent owner shows an interest in the property during the designated dormancy period. Some of the ways in which an apparent owner may show interest are by a record communicated by the apparent owner to the holder about the property, payment of a premium on an insurance policy, or deposit or withdrawal from an account at a financial institution.

N.D.C.C. §§ 47-30.2-15 through 47-30.2-20, as proposed, establish three priority rules to determine which state may take custody of property that is presumed abandoned. The first-priority rule grants custody to the state of the last-known address of the apparent owner, according to the holder's records. If there is no record of the address of the apparent owner, or the address is in a state that does not permit the custodial taking of the property, then the property is subject to custodial taking by the state of corporate domicile of the holder. The third-priority rule permits a state administrator to take custody of the property if (1) the transaction involving the property occurred in the state; (2) the holder is domiciled in a state that does not provide for the custodial taking of the property; 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.

Under N.D.C.C. §§ 47-30.2-21 through 47-30.2-29, as proposed, the holder of property presumed abandoned must send a notice to the apparent owner identifying the property and must file a report with the administrator identifying the property. Some of the changes RUUPA makes to the notice requirements include:

- Permitting the use of electronic notices;
- Requiring the notice to identify the property and its value, state that the property may be sold by the administrator, provide details for how to prevent the property from being delivered to the state, and establishing a deadline for when action must be taken by the owner to prevent the delivery of property to the state; and
- Providing that the holder is not required to include confidential information in the notice that can be used to verify the identity of the individual. See N.D.C.C. § 47-30.2-71, as proposed.

RUUPA alters some of the filing requirements, also. For example, states may not require unclaimed property reports to be submitted in paper form. In addition, holders are authorized to

contract with third parties to report unclaimed property to the state administrator, but the holder remains liable for the failure of the third party to submit a complete, accurate, and timely report and to deliver unclaimed property to the state.

N.D.C.C. §§ 47-30.2-30 through 47-30.2-39, as proposed, describe how the administrator may take custody of unclaimed property and how it may sell it. Except for securities, RUUPA allows the administrator to sell the property three years after receipt, but it is not required to do so. Securities may be sold three or more years after the administrator receives the security and gives the apparent owner notice under proposed N.D.C.C. § 47-30.2-28. The administrator is prohibited from selling military medals or decorations awarded for military service. Instead, the administrator may deliver them to the state historical society of North Dakota or the agency that awarded the medal or decoration.

N.D.C.C. §§ 47-30.2-44 through 47-30.2-47, as proposed, direct the administrator to deposit all funds received under the Act into the CSTF, including proceeds from the sale of property as mentioned above. These sections also require the administrator to maintain records of the property.

N.D.C.C. §§ 47-30.2-48 through 47-30.2-53, as proposed, address various scenarios in which the administrator of one state would need to pay or deliver unclaimed property to another state, either because there is a superior claim to the property by the other state or the property is subject to the right of another state to take custody. Proposed N.D.C.C. § 47-30.2-50 discusses claims for the property by a person claiming to be the property owner and provides the administrator may waive the requirement to file a claim in certain circumstances.

N.D.C.C. §§ 47-30.2-54 through 47-30.2-62, as proposed, explain how an administrator may request property reports and how an administrator may examine records to determine if a person has complied with the Unclaimed Property Act. RUUPA requires every administrator to adopt rules governing procedures and standards for an examination.

N.D.C.C. §§ 47-30.2-65 through 47-30.2-66, as proposed, discuss the penalties if a holder fails to report, pay, or deliver property within the time required and if the holder enters into a contract to evade an obligation under RUUPA.

N.D.C.C. §§ 47-30.2-68 through 47-30.2-70, as proposed, govern the enforceability of an agreement between an apparent owner and a “finder” to locate and recover property. A signed record between the parties to designate the finder as an agent of the owner is required. The agent is then entitled to receive from the administrator all information concerning the property which the apparent owner would be entitled to receive, including information that would otherwise be considered confidential.

N.D.C.C. §§ 47-30.2-71 through 47-30.2-73, as proposed, address that no confidential information is required to be contained in the notice of a holder and provides requirements for security of information and steps that an administrator must take in the event of a security breach.

In April 2019, the Division implemented a new information technology system and simultaneously went live with a new website. The Division can now “fast track” eligible claims. This adds efficiency to the Division and returns funds to owners in a shorter time. Additionally, in January 2019 the Division implemented Administrative Rules. With the successful implementation of

Administrative Rules and a new information technology solution, the Division has seen significant increases in the ability to return funds to owners. The next step in creating greater opportunities to return funds to owners is updating the Uniform Unclaimed Property Act.

I look forward to working with the committee on these issues and will answer any questions.

**COMPARISON OF
2016 REVISED UNIFORM UNCLAIMED PROPERTY ACT (RUUPA)
AND PROPOSED N.D.C.C. CHAPTER 47-30.2**

RUUPA Section	Topic	Justification for Modification
Throughout	Use of the word Act	Revised to refer to this chapter at recommendation of Legislative Council
Throughout		Changed language to better reflect language used in North Dakota law or to add clarification without changing the meaning
Throughout		The new chapter of the Century Code will be 47-30.2. The section number of RUUPA was deleted and each section was given its own century code section number with the RUUPA section in parens. For example, 47-30.2-01(102). These internal references will be in the new code.
101	Short Title	Removed as not needed
102	Definitions	<ul style="list-style-type: none"> - Throughout definitions, removed references to federal laws so that we would have stand-alone laws that would not have to be changed each time federal law is changed. In some instances, we inserted the text of the federal law rather than the reference - “Administrator” revised to retain current definition and clarify authority given under this chapter - Added “board” as the Unclaimed Property Division (UP Division) serves under the direction and authority of the Board of University and School Lands and to clarify authority given under this chapter - Added “cashier’s check” as it was not addressed - Added “commissioner” to be defined as the Commissioner of University and School Lands and to clarify authority given under this chapter - “Confidential information” revised to “confidential record” to align with North Dakota open records statutes - Added “department” as the Unclaimed Property Division is a division of the Department of Trust lands (DTL) - “Financial organization” was revised to better align with how North Dakota law is worded - “Gift card” revised to differentiate from stored value cards - “Insurance company” revised to reference North Dakota statute - Maintained the current “mineral proceeds” definition - “Payroll card” was revised to differentiate between payroll card, stored value cards, and property types - “Property” revised to include in-store credit and mineral proceeds - “Record” - revised to align with current open records statutes

**COMPARISON OF
2016 REVISED UNIFORM UNCLAIMED PROPERTY ACT (RUUPA)
AND PROPOSED N.D.C.C. CHAPTER 47-30.2**

RUUPA Section	Topic	Justification for Modification
		- "Security" - revised to cite to North Dakota statutes rather than federal - "Stored value card" revised to differentiate from payroll cards, gift cards, and other property types
201	Abandonment	Various abandonment periods were changed to reflect abandonment periods provided in current North Dakota law
202	Tax Deferred Retirement Account Abandonment	Changed to reference North Dakota rather than federal law; modified regarding email communication; included tax-exempt
203	When Other Tax Deferred or Tax Exempt Account Presumed Abandoned	Included tax-exempt
204	Custodial Account for Minors	Revised to reflect current North Dakota statute and provide more clarity
205	Safe boxes	Revised to reflect current law
207	Gift card	Removed as gift card is excluded from the definition of property
210	Indication of Apparent owner Interest in Property	Revised to clarify owner-generated activity is required
211	Knowledge of Death of Insured or Annuitant	Revised to align with North Dakota law
307	Burden of Proof to Establish Administrator's Right to Custody	Removed as not addressed in current law
401	Report Required by Holder	Removed requirement for paper report as UP Division requires electronic reporting under Administrative Rules; a holder may file a negative report
402	Content of Report	Revised as UP Division requires electronic reporting under Administrative Rules; revised the dollar amount from \$50 to \$25 as recommended by the North Dakota Auditor's Office
403	When Report to be Filed	Revised for clarification
501	Notice to Apparent Owner by holder	Revised to reflect current law; revised the dollar amount from \$50 to \$25 as recommended by the North Dakota Auditor's Office and to align with lowered aggregate amount
503	Notice by administrator	Revised the dollar amount from \$50 to \$25 as recommended by the North Dakota Auditor's Office and to align with lowered aggregate amount; incorporated reference to publication in biennial report as already provided in the biennial report and to maintain consistency throughout DTL; provided more information as to the website to provide the owners more opportunity to recover their property

**COMPARISON OF
2016 REVISED UNIFORM UNCLAIMED PROPERTY ACT (RUUPA)
AND PROPOSED N.D.C.C. CHAPTER 47-30.2**

RUUPA Section	Topic	Justification for Modification
602	Dormancy charge	Dormancy charge for all property types combined and moved to this section 602; revised wording to clarify
603	Payment or Delivery of Property to Administrator	Revised to reflect that tangible property is due at the time of the holder report
604	Effect of Payment or Delivery of Property to administrator	Revised to add more clarity as to values for indemnification and liability purposes
605	Recovery of Property by Holder from Administrator	Revised as North Dakota is not an interest-bearing state for purposes of unclaimed property claims; revised as UP Division is not subject to the adjudicative process under N.D.C.C. ch. 28-32
607	Crediting Income or Gain to Owner's Account	Revised as North Dakota is not an interest-bearing state for purposes of unclaimed property claims
701	Public Sale of Property	Removed publication requirements of a public sale to gain wider exposure by advertising on the website
702	Disposal of Securities	Revised as unduly burdensome as worded and has a negative impact on the trusts
703	Recovery of Securities or Value by Owner	Removed because unduly burdensome as worded and has a negative impact on the trusts
705	Military Medal or Decoration.	Revised to remove the federal reference and to keep the property in the state
801	Deposit of Funds by Administrator	Revised to comply with requirements of North Dakota law and clarify authority given under this chapter; addressed comments made by the drafters of RUUPA
803	Expenses and service charges of administrator.	Removed the RUUPA language and instead incorporated language regarding Deposit of Funds – Continuing Appropriation to comply with requirements of current North Dakota law and clarify authority given under this chapter
903	Claim for Property by Person Claiming to be Owner	Revised to enhance efficiency of fast tracking through UP Division's computer system; considered comments made by the drafters of RUUPA
904	When Administrator Must Honor Claim for property	Revised to allow for future payment of the claim
905	Allowance of Claim for Property	Revised to require agencies to submit a claim, rather than the administrator seeking out the agencies
906	Action by person whose Claim is Denied	Revised to reflect the notice requirement of N.D.C.C. § 32-12.2-04 and considered the comments made by the drafters of RUUPA regarding public policy of the State
1003	Rules for Conducting Examination	Revised to allow for estimation

**COMPARISON OF
2016 REVISED UNIFORM UNCLAIMED PROPERTY ACT (RUUPA)
AND PROPOSED N.D.C.C. CHAPTER 47-30.2**

RUUPA Section	Topic	Justification for Modification
1004	Records Obtained in Examination	Revised to reflect other similar law guiding the Department (particularly N.D.C.C. § 44-04-18.29) and to reflect current North Dakota open records law
1007	Report to Person whose records were Examined	Revised to add clarification
1008	Complaint to Administrator about Conduct of Person Conducting examination	Revised to add clarification
1009	Administrator's Contract with Another to Conduct Examination	Removed as covered by procurement law
1010	Limit on Future Employment	Removed as cannot enforce in North Dakota
1011	Report to Administrator by State Official	Removed as state law requires a biennial report which is addressed in 47-30.2-28(3)(a)
Article 11	Determination of Liability; Putative Holder Remedies	Removed and 47-30.2-75 added to reflect current law (47-30.1-32) as it relates to holder appeals
1201	Judicial Action to Enforce Liability	Removed as the UP Division is not subject to the adjudicative process under N.D.C.C. ch. 28-32 and 47-30.2-75 added to incorporate current law (47-30.1-32) as it relates to appeals
1203	Action Involving Another State or Foreign Country	Revised to not handle lawsuits on behalf of other states; revised in accordance with North Dakota law – continuing appropriations
1204	Interest and Penalty for Failure to Act in Timely manner	Revised to align for consistency across DTL divisions
1206	Waiver of Interest and penalty	Removed and 47-30.2-67 added to align for consistency across DTL divisions
1301	When Agreement to Locate Property Enforceable	Revised to reflect current law and better protect the property of our citizens
1302	When Agreement to Locate Property Void	Revised to reflect current law and better protect the property of our citizens
1303	Right of Agent of Apparent owner to Recover Property held by Administrator	Revised as the right is granted through other legal avenues (Power of Attorney)
1401-1407	Confidentiality and Security of Information	Removed 1401, 1402, 1403, and 1404 as these are adequately covered under N.D.C.C. ch. 44-04. Revised 1405, 1406, and 1407 based on current North Dakota open records law

**COMPARISON OF
2016 REVISED UNIFORM UNCLAIMED PROPERTY ACT (RUUPA)
AND PROPOSED N.D.C.C. CHAPTER 47-30.2**

RUUPA Section	Topic	Justification for Modification
1408	Indemnification for Breach	Removed based on consultation with Risk Management Division and the comments section of the RUUPA
1501	Uniformity of Application and construction	Removed as not needed
1502	Relation to Electronic Signatures in Global and National Commerce Act	Removed as not needed
1503	Transitional Provision	Revised to incorporate language in current law (47-30.1-37)
1504	Severability	Removed as there is a general reference to this in the North Dakota Century Code
1505	Repeals; Conforming Amendments	Removed as not needed
1506	Effects of new Provisions – clarification of Application.	Removed as not needed

TESTIMONY OF THE AMERICAN COUNCIL OF LIFE INSURERS

Before The
Senate Industry, Business and Labor Committee

January 6, 2021

Senate Bill 2048 – An Act Relating to the Uniform Unclaimed Property Law

Chairman Klein and members of the Senate Industry, Business and Labor Committee, the American Council of Life Insurers (ACLI) appreciates the opportunity to offer the following statement on Senate Bill 2048, which would update North Dakota law to incorporate, in substantial part, the most recent version of the Uniform Law Commission's Revised Uniform Unclaimed Property Act (RUUPA).

ACLI members are the leading writers of life insurance, annuities, disability income insurance, long-term care insurance and supplemental benefit insurance here in North Dakota and across the country. Life insurers are also among the many holders of unclaimed property that would be governed and impacted by this legislation.

Our Position

While ACLI supports Senate Bill 2048 and the RUUPA Act on which it is based, for the reasons set forth below we seek amendments to make it consistent and compatible with existing North Dakota insurance law governing unclaimed life insurance benefits in Chapter 26.1-55, and to revise provisions in the bill not found in RUUPA.

Background

Originally promulgated by the Uniform Law Commission in 1954, the Uniform Unclaimed Property Act is a comprehensive law governing property that is presumed abandoned or unclaimed and must be remitted to the state. The state unclaimed property administrator acts essentially as a custodian of the property until the rightful owner or, in the case of a life insurance policy, a beneficiary claims it after the policyowner is presumed dead. Various versions of this Uniform Law had been enacted in North Dakota over the years.

Meanwhile, the North Dakota legislature enacted a law in 2013 governing the use by life insurers of the U.S. Social Security Administration's death master file (DMF) for identifying owners of life insurance, annuities or retained asset accounts who may have died (Chapter 26.1-55). Among other things, this law requires life insurers to periodically check its policyholder records against the DMF to determine any potential matches. For each potential match, an insurer is required to complete a good faith effort to confirm the death, determine if benefits are owed the insured or the insured's beneficiaries and assist them with filing claims for the benefits. If the insurer is unsuccessful in contacting the insured or the insured's known beneficiaries, the property is presumed abandoned and reported to the state pursuant to the state's unclaimed property law

in Chapter 47. This legislation was based on a Model Law adopted by the National Conference of Insurance Legislators (NCOIL), which ACLI supports. We appreciate the leadership of Senator Klein and Representative Keiser as they worked to fashion a Model Law at NCOIL that has become widely adopted by the states.

Three years later, the Uniform Law Commission completed a multi-year effort in 2016 to update its Uniform Unclaimed Property Act. ACLI actively participated in this effort and worked with the Uniform Law Commissioners to make the Revised Act compatible with the NCOIL Unclaimed Life Insurance Benefits Model Act, given the interplay between the operative provisions of both uniform laws regarding life insurer unclaimed property practices. To date, RUUPA has been enacted in some form in five states (Colorado, Kentucky, Tennessee, Utah and Vermont).

We appreciate the efforts by the drafters of Senate Bill 2048 to conform to the letter and spirit of the Uniform Law Commission's RUUPA in most substantive respects. Our comments relate only to those provisions of the Revised Act applicable to life insurance, annuities and retained asset accounts. While there are several deviations from the Revised Act, we focus our comments and suggested amendments in two areas.

DMF Searches and Matches

Beginning on page 23, line 23, Senate Bill 2048 includes provisions governing when a DMF match constitutes knowledge of death, and appropriately recognizes Chapter 26.1-55 of the insurance code as the proper controlling authority for what satisfies a DMF match. However, Senate Bill 2048 also includes non-RUUPA language (page 24, lines 5-9) regarding presumption of death that creates confusion about which law applies. Accordingly, we recommend deleting this language and substituting RUUPA language that references the obligations of life insurers to validate the death of an insured or annuitant as required under Chapter 26.1-55 of the insurance code. A new subparagraph d. would be inserted to read as follows: "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 timeframe specified in Chapter 26.1-55.02."

Our second comment relates to the DMF search requirements in Section 2, paragraphs b, c and d on page 23, lines 3-16. Paragraphs b and c are appropriately consistent with the DMF search and validation of death requirements of insurers in Chapter 26.1-55.02 of the insurance code. Paragraph d, however, authorizes the state unclaimed property administrator or its agents to conduct its own DMF searches for the purpose of finding matches. Given the DMF search duties already required of insurers under the insurance code, under the watchful eye of the insurance commissioner, this duplicative requirement is neither necessary nor appropriate.

If the state unclaimed property administrator has reason to believe an insurer is not appropriately conducting DMF searches or escheating unclaimed property to the state, the administrator can always request the insurance commissioner to compel the insurer to explain, justify or correct its DMF search and unclaimed property reporting practices. Subjecting insurers to duplicative regulatory jurisdiction when a coordinated approach can easily address any regulatory compliance issues is good public policy. Accordingly, we respectfully ask that paragraph Section 2, paragraph d (page 23, lines 10-16) be deleted.

For the Committee's convenience, I have attached an amendment that addresses the issues we have raised in this testimony.

Chairman Klein and members of the Committee, I appreciate the opportunity you have given us to provide our comments on Senate Bill 2048 and stand ready to answer any questions you may have.

Respectfully submitted,

J. Bruce Ferguson
Senior Vice President, State Relations
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PROPOSED AMENDMENT TO SENATE BILL NO. 2048

By the American Council of Life Insurers

Page 23, remove lines 10 through 16

Page 24, remove lines 5 through 9

Page 24, after line 9 insert:

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 timeframe specified in Chapter 26.1-55.02.

Renumber accordingly

2021 SENATE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Fort Union Room, State Capitol

SB 2048
1/20/2021

relating to the uniform unclaimed property act; to provide for a report

Chair Klein called the hearing to order at 11:15 a.m. All members present. Senators Klein, Larsed, Burckhard, Vedaa, Kreun, Marcellais.

Discussion Topics:

- Property excluded from the bill
- Abandoned checks
- Gift cards
- Life Insurance

Senator Hogue [11:17] testified in favor and submitted testimony #1929.

Jodi Smith, Commissioner and Secretary for the Board of University and School Lands Board [11:30] testified in favor and submitted testimony #1854.

Levi Adrist, American Council of Life Insurers [11:44] testified in favor and submitted testimony #1943.

Jon Godfread, Insurance Commissioner [11:51] testified in favor.

Rick Clayburgh, President and CEO of ND Bankers Association [11:57] testified in favor. **John Ord, State Farm** [12:03] testified in support.

Julie Ellingson, Stockman's Association [12:04] testified in favor, suggested a change to language in bill, and submitted testimony #1807.

Additional written testimony: #1787

Chair Klein closed the hearing at 12:07 p.m.

Isabella Grotberg, Committee Clerk

1 **TESTIMONY OF DAVID HOGUE IN SUPPORT OF SB 2048**
2 **SENATE INDUSTRY, BUSINESS, AND LABOR COMMITTEE**
3 **JANUARY 20, 2021**
4

5 Good morning Chairman Klein and members of the Senate Industry, Business,
6 and Labor Committee. My name is David Hogue. I am a North Dakota state senator
7 representing District 38, which includes northwest Minot and the city of Burlington. I
8 appear before your committee to seek support for Senate Bill 2048.

9 SB 2048 is another product of the National Conference of Commissioners of
10 Uniform State Laws and is endorsed by the North Dakota Uniform Law Commission, of
11 which I am a member, and a highly distinguished one at that. SB 2048 essentially
12 repeals North Dakota's current Unclaimed Property Act and replaces it with the new
13 revised Unclaimed Property Act. Its formal name is The Revised Uniform Unclaimed
14 Property Act (2016) ("Act"). It's not my intention to go through the new Act with the
15 Committee line by line. The stakeholder for Act is the Unclaimed Property Division of
16 our North Dakota Department of Trust Lands, a/k/a The State Land Board. Land Board
17 Commissioner Jodi Smith can review with you the important changes from the ND State
18 Department of Trust Lands perspective as the administrator of the Unclaimed Property
19 Fund.

20 One of the hallmarks of property is that it always has an owner. However,
21 sometimes the owner of property mislays, loses, or forgets he owns property. When
22 this happens, it is the duty of the "holder" of that property to first attempt to reunite the
property with its owner. When no valid property owner is identified, the state may sell

1 the property and use the funds for its own purposes, so long as it retains some of the
2 proceeds to honor claims of owners. A few of the notable changes in the Act are:
3 clarifying the tangible and intangible property types included in the Act; establishing new
4 events that trigger presumed abandonment; revising dormancy periods; refining the
5 duties of holders of unclaimed property; and adding security and confidentiality
6 provisions.

7 Mr. Chairman, while I said I would not go through the Act line by line, I do wish
8 to draw your attention to a provision you might not have been aware of. Page 15, lines
9 1-3 of SB 2048 tells you when you may presume that a check is presumed abandoned.
10 A checked is presumed abandoned two years after it is payable.

11 Chairman Klein and members of the Committee, I'm happy to stand for
12 your questions.

- 1 21. "Municipal bond" means a bond or evidence of indebtedness issued by a municipality
2 or other political subdivision of a state.
- 3 22. "Net card value" means the original purchase price or original issued value of a stored-
4 value card, plus amounts added to the original price or value, minus amounts used
5 and any service charge, fee, or dormancy charge permitted by law.
- 6 23. "Non-freely transferable security" means a security that cannot be delivered to the
7 administrator by the depository trust clearing corporation or similar custodian of
8 securities providing post-trade clearing and settlement services to financial markets or
9 cannot be delivered because there is no agent to effect transfer. The term includes a
10 worthless security.
- 11 24. "Owner" means a person that has a legal, beneficial, or equitable interest in property
12 subject to this chapter or the person's legal representative when acting on behalf of
13 and in the best interest of the owner. The term includes:
- 14 a. A depositor, for a deposit;
15 b. A beneficiary, for a trust other than a deposit in trust;
16 c. A creditor, claimant, or payee, for other property; and
17 d. The lawful bearer of a record that may be used to obtain money, a reward, or a
18 thing of value.
- 19 25. "Payroll card" means a record that evidences a payroll-card account that is directly or
20 indirectly established through an employer and to which electronic fund transfers of
21 the consumer's wages, salary, or other employee compensation, such as
22 commissions, are made on a recurring basis, whether the account is operated or
23 managed by the employer, a third-party payroll processor, a depository institution, or
24 any other person.
- 25 26. "Person" means an individual, estate, business association, public corporation,
26 government or governmental subdivision, agency, or instrumentality, or other legal
27 entity.
- 28 27. "Property" means tangible property described in section 47-30.2-08 or a fixed and
29 certain interest in intangible property held, issued, or owed in the course of a holder's
30 business or by a government, governmental subdivision, agency, or instrumentality.
31 a. The term includes:

- 1 (1) All income from or increments to the property; and
- 2 (2) Property referred to as or evidenced by:
- 3 (a) Money, virtual currency, interest, or a dividend, check, draft, deposit,
- 4 or payroll card;
- 5 (b) A credit balance, customer's overpayment, stored-value card, security
- 6 deposit, refund, credit memorandum, unpaid wage, unused ticket for
- 7 which the issuer has an obligation to provide a refund, mineral
- 8 proceeds, or unidentified remittance;
- 9 (c) A security except for:
- 10 (1) A worthless security; or
- 11 (2) A security that is subject to a lien, legal hold, or restriction
- 12 evidenced on the records of the holder or imposed by operation
- 13 of law, if the lien, legal hold, or restriction restricts the holder's or
- 14 owner's ability to receive, transfer, sell, or otherwise negotiate
- 15 the security;
- 16 (d) A bond, debenture, note, or other evidence of indebtedness;
- 17 (e) Money deposited to redeem a security, make a distribution, or pay a
- 18 dividend;
- 19 (f) An amount due and payable under an annuity contract or insurance
- 20 policy;
- 21 (g) An amount distributable from a trust or custodial fund established
- 22 under a plan to provide health, welfare, pension, vacation, severance,
- 23 retirement, death, stock purchase, profit-sharing, employee-savings,
- 24 supplemental-unemployment insurance, or a similar benefit;
- 25 (h) Intangible property and any income or increment derived from the
- 26 intangible property held in a fiduciary capacity for the benefit of
- 27 another person;
- 28 (i) Mineral proceeds; and
- 29 (j) An in-store credit for returned merchandise.
- 30 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:



**TESTIMONY OF JODI SMITH
COMMISSIONER
North Dakota Department of Trust Lands**

Senate Bill 2048

**Senate Industry, Business and Labor Committee
January 20, 2021**

Chairman Klein and members of the Senate Industry, Business and Labor Committee, I am Jodi Smith, the Commissioner and Secretary for the Board of University and School Lands (Board). I am here to testify in support of Senate Bill 2048.

The Department of Trust Lands (Department) reviewed the comments received both during the January 13, 2021 hearing and after the hearing on Senate Bill 2048 (SB 2048). Based on that review, the Department proposes the following revisions and provides the following explanations:

American Council of Life Insurers (ACLI)

Concerning ACLI comments regarding duplicate language as outlined in paragraph 4 on page 2 of the testimony provided to the Committee on January 13, 2021, for Death Master File (DMF) language, the Department proposes the following:

Page 24, line 5, replace “An insured or an annuitant is presumed dead if the date of the death of the” with “If no provision in chapter 26.1-55 establishes a time for validation of a death of an insured or annuitant, the insurance company shall make a good faith effort using other available records and information to validate the death and document the effort taken not later than ninety days after the insurance company has notice of the death.”

Page 24, remove lines 6 through 9

The amendment incorporates original language from the Revised Uniform Unclaimed Property Act of 2016 (RUUPA). Requirements under this proposed amendment will only be triggered if this timeframe requirement is ever removed from the North Dakota insurance code. Currently, North Dakota’s insurance code (N.D.C.C. § 26.1-55-02(8)) allows insurers twelve months to validate a death. This provision would not place a new or different burden on the insurer but is purely precautionary should the insurance code ever be silent on this issue. As we do not have control over the insurance statutes, this provision is important to the operation of Unclaimed Property and promotes return of property to the rightful owner. We submit to the insurance law; however, we need this to remain in SB 2048 in case that insurance law ever changes and fails to address this issue very relevant to unclaimed property.

Concerning ACLI's comments regarding the Administrator's right to conduct DMF comparisons as outlined in paragraph 4 on page 2 of the testimony provided to the Committee on January 13, 2021, the Department rejects the proposed revisions from the ACLI as they relate to Section 2, paragraph d on page 23, lines 10-16.

The Department has consulted with the Uniform Law Commission, the National Association of Unclaimed Property Administrators (NAUPA) and Administrators from other states regarding the provisions outlined in Section 2. Leaving in Section 2 allows the Department to continue to audit life insurance companies as necessary and provides an additional tool for the Administrator to audit life insurance companies. This language was challenged in other states and those challenges were successfully denied. To our knowledge, this language has been adopted through the RUUPA, or a modified version thereof, in Vermont, Colorado, Kentucky, Illinois and Tennessee.

This language is important to unclaimed property administrators and NAUPA and is a policy decision. The public policy decision reached in RUUPA is that the unclaimed property administrator should be allowed the use of the DMF as an audit tool. It is *not* a requirement that it be used in every audit; however, it should be a tool available to the auditor. Under North Dakota law, the Insurance Commissioner utilizes the DMF but not for the purpose of identifying unclaimed property that should be reported and remitted to the State. Rather, the Insurance Commissioner utilizes the DMF to determine whether there are proceeds that should be paid to insureds. It is not anticipated that the Insurance Department would want the responsibility of performing ad-hoc unclaimed property examinations for all insurance policies, but this is what the ACLI is suggesting by eliminating subsection d of Section 2. Further, there have been no complaints to the Department concerning abusive auditing or abusive DMF matching.

North Dakota Bankers Association (NDBA)

Concerning comments of the NDBA regarding the definition of cashier's check and dormancy issues of cashier's checks, we acknowledge the need for refinement in the definition of cashier's checks and propose the following amendment:

Page 9, line 2, replace "Is drawn by a financial organization on itself" with "Is purchased by a remitter and made payable to a designated payee"

Page 9, line 3, after "officer" insert "or employee"

Page 9, line 3, after "organization" insert "on behalf of the financial institution as drawer;"

Page 9, line 4, replace the period with a semi-colon

Page 9, after line 4 insert

"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."

It is worth noting that retaining subsection c in the above definition would allow holders to report cashier's checks as single-owner properties (in the name of the payee) rather than as a multiple-owner property (in the names of both the remitter *and* the payee). This change greatly increases the Department's ability to return the property to the rightful owner.

Concerning comments of the NDBA regarding the discrepancy between the dormancy of cashier's checks and other checks, the Department also acknowledges the discrepancy between the dormancy of cashier's checks and other types of checks; thus, we propose the amendment below to make the dormancy period for all checks two years:

Page 15, line 17, replace "three" with "two"

It is important to note that cashier's checks currently have a three-year dormancy period. This change will allow consistency in all types of checks but would immediately put all financial institutions out of compliance and require them to report two years of cashier's checks, rather than one, in the next reporting cycle.

Concerning comments of the NDBA regarding payroll cards, the Department agrees to the proposed amendment as follows:

Page 15, line 12, after "A" insert "a payroll card or"

Page 15, line 12, after "a" insert "time"

Page 15, line 13, after "the" insert "date of"

Page 15, line 13, after the second "the" insert "time"

Page 15, line 13, after "deposit" remove the underscored comma

Page 15, line 13, after "deposit," insert "or the date of the last indication of interest in the property by the apparent owner, whichever is earlier;"

Page 15, line 13, after "deposit," replace "except" with "provided that"

Page 15, line 13, after "a" insert "time"

Page 15, line 15, after "owner" insert "has"

Page 15, line 16, after "renewal" replace the underscored semi-colon with ". If an apparent owner has another established account with the financial institution and has demonstrated interest in any such account under section 47-30.2-12, then all accounts must be considered active;"

For housekeeping purposes and to address the NDBA's comments regarding payroll cards, "payroll card" will be removed from Page 16, Line 9. Once the wages are transferred onto the payroll card, the employer no longer has an interest in those funds and the obligation to report those unclaimed funds rests with the issuing financial institution. The Department agrees to the proposed amendment as follows:

Page 16, line 9, replace "Amounts held on a payroll card, wages" with "Wages"

Concerning comments of the NDBA regarding automatic deposits or withdrawals, the Department agrees to the proposed amendment as follows:

Page 22, line 7, replace “organization” with “institution, including an automatic deposit or withdrawal previously authorized by the apparent owner other than an automatic reinvestment of dividends or interest; provided that the apparent owner has consented to such automatic deposit or withdrawal in a record on file with the holder at least once in the preceding five years;”

This change permits automatic deposits or withdrawals to be considered indications of apparent owner interest in property while offering protection against an account continuing unchecked in perpetuity such as when an apparent owner suddenly dies.

The Department is currently seeking clarification to determine whether the transitional provision, proposed N.D.C.C. § 47-30.2-74, should include an effective date of July 1, 2021 as written or if the date should be modified to August 1, 2021.

I look forward to working with the committee on SB 2048 and will answer any questions.

PROPOSED AMENDMENT TO SENATE BILL NO. 2048

VERSION 2 – With Comments

*By the American Council of Life Insurers**Supported by Commissioner Godfread and
Uniform Law Commissioner Sen. David Hogue*Page 23, line 9, after the semicolon insert "or"

Page 23, remove lines 10 through 16

Page 23, line 24, remove "or d"

Page 24, remove lines 5 through 9

Page 24, after line 9 insert:

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 timeframe specified in Chapter 26.1-55-02.

Renumber accordingly

SUPPLEMENTAL INFORMATION

Here is some North Dakota-specific information from one of the top life insurance writers in the state, which has 46,000 policyholders. Below is a breakdown of the claims initiated from a death master file match where the issue state of the contract was ND or where the insured lived in ND.

Year	Total Clients	Total Contracts
2016	4	5
2017	2	2
2018	2	2
2019	5	5
2020	6	7
Grand Total	19	21

As you can see, the scale of the implicated policies/contracts in relation to the number of policyholders for just this one insurer I hope demonstrates that a second layer of regulation/DMF searches is not necessary.

North Dakota Stockmen's Association
Testimony to the
Senate Industry, Business and Labor Committee on SB 2048
Jan. 20, 2021

Good morning, Chairman Klein and Senate Industry, Business and Labor Committee members. For the record, my name is Julie Ellingson and I represent the North Dakota Stockmen's Association. For those of you who are not familiar, the Stockmen's Association is a 91-year-old beef cattle trade organization comprised of approximately 3,000 cattle-ranching families. We also have the unique charge of administering the state's brand inspection and brand recording programs on behalf of the State of North Dakota.

It is in that capacity that we appear before you on SB 2048, which would adopt the revised Uniform Unclaimed Property Act. The Stockmen's Association oversees the estray fund, which is the repository of the proceeds from the sale of cattle, horses and mules with undetermined owners. Much like the North Dakota Department of Trust Lands oversees other types of unclaimed property, the Stockmen's Association safeguards these estray funds and works to return those monies to the rightful owners through a very specific process outlined in North Dakota Century Code 4.1-75.

We have no objections to the bill before you, but, upon the suggestion of our legal counsel, to ensure there is no confusion now or in the future between the two chapters, we request that a simple clarifying statement be added to the bill, stating that this chapter does not apply to estrays.

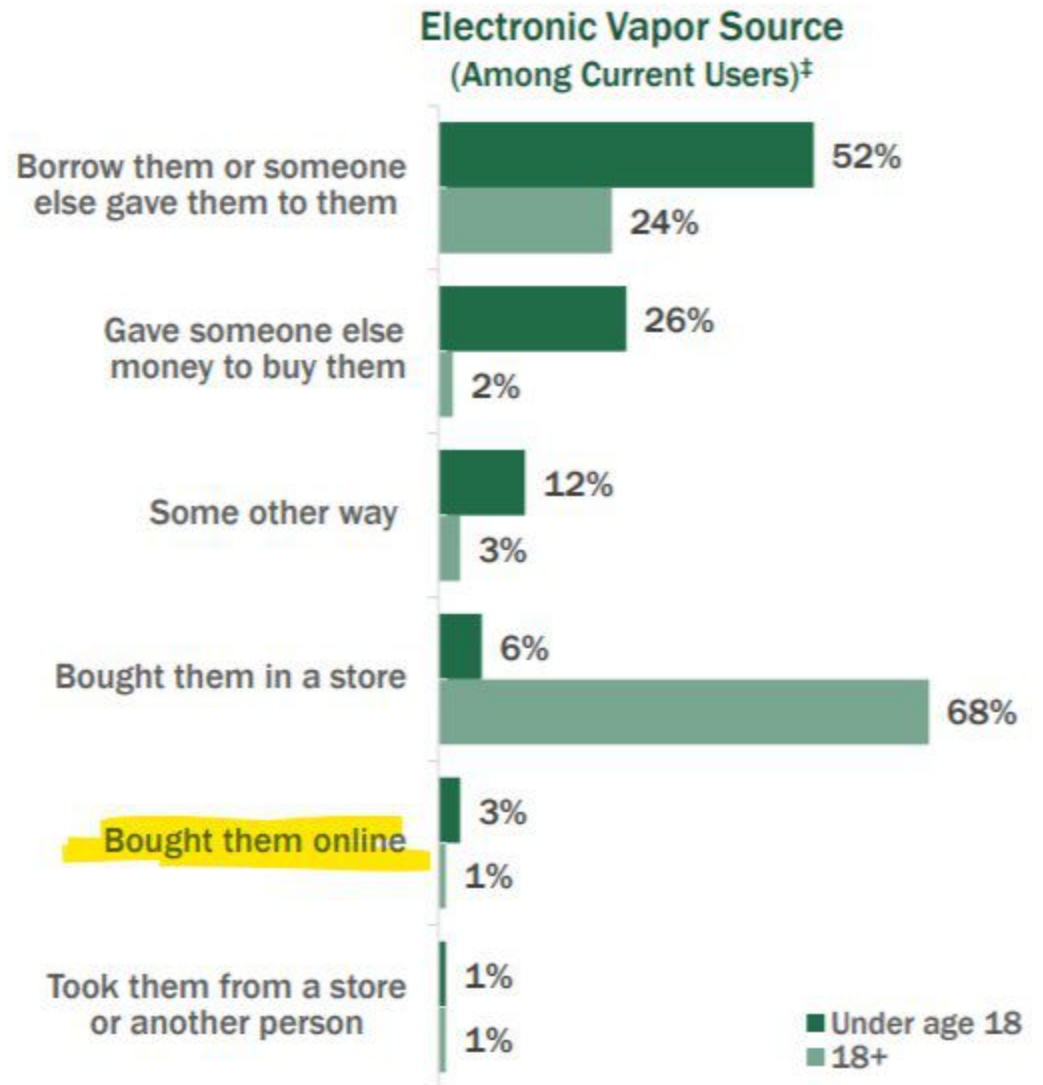
With that, Mr. Chairman, I would stand for any questions.

Among Electronic Vapor Product Users

Primary Source of EVP

Among current users under age 18, just over half borrowed or got EVP from someone else; a quarter gave someone money to buy them. Less than 10% purchased them either online or in a store.

Among current users 18 and older, nearly seven in ten purchased [‡] EVP in a store. Less than a quarter borrowed or got them from someone else.



[‡] The legal age to purchase tobacco products, including EVP, during the time of this survey was 18 years of age. It has since changed to 21. Getting EVP from someone else was changed in 2019 from "A person over 18 years old" to "A person who can legally buy these products"

Maryland High School Survey

Detail Tables - Weighted Data

Q36: During the past 30 days, how did you usually get your own electronic vapor products?

Total		Age				Grade				Race/Ethnicity				
		Total	15 or younger	16 or 17	18 or older	9th	10th	11th	12th	Black*	Hispanic/Latino	White*	All other races*	Multiple races*
Did not use any vapor products	%	76.9	80.9	73.8	71.1	82.7	78.2	75.8	70.3	86.6	80.1	66.9	85.6	74.2
	N	26,311	13,972	11,248	1,044	8,301	7,330	6,010	4,412	5,726	3,228	13,076	1,704	1,806
Bought them in a store	%	3.0	1.4	3.1	14.9	1.2	1.8	2.8	6.5	2.1	3.3	3.7	2.6	2.5
	N	1,132	252	528	346	112	183	226	578	158	175	626	65	54
I got them on the Internet	%	1.3	1.2	1.3	1.7	1.3	1.3	1.1	1.5	1.3	1.4	1.2	0.8	2.2
	N	523	217	266	33	116	142	126	116	113	80	233	26	33
Someone else bought them	%	4.3	3.5	5.3	2.6	2.9	4.4	5.1	5.1	1.4	3.1	7.4	2.2	5.0
	N	2,566	1,008	1,502	54	482	672	795	581	193	234	1,846	80	150
Borrowed them	%	9.7	8.9	11.1	5.5	8.0	10.1	10.2	11.2	5.7	7.4	14.7	5.2	11.3
	N	4,618	2,191	2,304	120	1,179	1,320	1,208	872	568	489	2,951	168	338
Someone gave them to me	%	2.0	1.3	2.7	1.2	1.0	1.7	2.6	2.6	1.0	1.9	2.8	1.4	1.9
	N	1,059	368	661	26	173	273	335	257	89	113	699	42	75
Took them from a store	%	0.4	0.4	0.2	0.7	0.4	0.2	0.2	0.5	0.3	0.3	0.2	0.5	0.3
	N	157	85	54	16	49	28	31	32	19	28	62	17	13
Some other way	%	2.4	2.3	2.4	2.4	2.5	2.3	2.2	2.4	1.7	2.6	3.0	1.6	2.6
	N	1,138	556	534	44	337	291	269	203	155	157	645	43	94
Total	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	N	37,504	18,649	17,097	1,683	10,749	10,239	9,000	7,051	7,021	4,504	20,138	2,145	2,563

Note: 3587 students were excluded from this analysis.

*Non-Hispanic.

N = Number of students who selected this response option.

2019 YOUTH RISK BEHAVIOR SURVEY RESULTS

New Hampshire High School Survey

Detail Tables - Weighted Data

Q36: During the past 30 days, how did you usually get your own electronic vapor products?

Total		Age				Grade				Race/Ethnicity				
		Total	15 or younger	16 or 17	18 or older	9th	10th	11th	12th	Black*	Hispanic/Latino	White*	All other races*	Multiple races*
Did not use any vapor products	%	66.5	74.8	63.2	56.5	76.9	68.2	63.0	57.5	75.6	59.8	66.2	76.9	65.2
	N	8,631	3,646	4,051	888	2,720	2,248	2,039	1,544	185	548	6,853	444	305
Bought them in a store	%	6.6	1.2	5.0	26.9	1.0	2.6	5.8	18.0	6.1	7.5	6.7	4.7	5.5
	N	769	48	277	441	32	69	162	496	14	65	614	26	28
I got them on the Internet	%	0.5	0.3	0.7	0.6	0.3	0.4	0.8	0.7	0.7	0.2	0.6	0.2	0.3
	N	64	16	39	9	14	12	20	17	2	3	55	2	2
Someone else bought them	%	5.8	5.3	7.3	1.2	5.0	6.1	7.6	4.2	3.0	7.4	5.7	4.6	6.2
	N	829	277	524	20	183	226	281	127	8	75	649	33	31
Borrowed them	%	13.9	13.2	15.1	11.5	12.0	15.7	14.2	14.0	7.8	14.0	14.4	8.1	15.8
	N	1,929	700	1,019	198	475	542	482	414	32	138	1,571	67	75
Someone gave them to me	%	3.0	2.0	4.1	1.5	1.5	3.3	4.1	3.0	1.8	3.8	3.0	2.5	3.7
	N	423	104	293	22	61	121	143	92	10	39	326	22	18
Took them from a store	%	0.5	0.6	0.4	0.4	0.5	0.5	0.3	0.2	1.4	2.7	0.3	0.7	0.2
	N	60	30	25	5	14	18	11	5	3	21	29	4	2
Some other way	%	3.2	2.7	4.1	1.3	2.7	3.3	4.1	2.4	3.7	4.5	3.2	2.3	3.0
	N	437	142	267	22	97	117	142	66	14	45	335	15	13
Total	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	N	13,142	4,963	6,495	1,605	3,596	3,353	3,280	2,761	268	934	10,432	613	474

Note: 568 students were excluded from this analysis.

*Non-Hispanic.

N = Number of students who selected this response option.

2019 YOUTH RISK BEHAVIOR SURVEY RESULTS

Arkansas High School Survey Detail Tables - Weighted Data

Q36: During the past 30 days, how did you usually get your own electronic vapor products?

		Total		Age				Grade				Race/Ethnicity				
		Total	15 or younger	16 or 17	18 or older	9th	10th	11th	12th	Black*	Hispanic/Latino	White*	All other races*	Multiple races*		
Did not use any vapor products	%	75.6	83.6	71.8	69.1	84.6	77.9	71.4	68.3	87.3	80.6	71.2	78.9	-		
	N	1,304	420	699	183	247	454	335	249	175	356	592	90	54		
Bought them in a store	%	4.9	0.3	2.3	23.6	0.3	0.6	4.2	15.9	2.1	1.8	6.5	6.2	-		
	N	64	3	14	47	1	2	14	46	3	8	46	3	1		
I got them on the Internet	%	1.1	0.8	1.6	0.2	0.6	1.8	1.5	0.4	1.2	0.1	1.2	0.0	-		
	N	14	4	9	1	2	4	5	2	2	1	8	0	0		
Someone else bought them	%	5.1	4.8	6.5	1.8	3.6	4.8	6.8	5.3	2.0	6.6	5.6	1.3	-		
	N	71	25	42	4	13	20	23	13	4	14	41	3	5		
Borrowed them	%	7.3	6.8	8.6	4.5	7.1	8.3	9.1	4.9	5.3	5.7	8.4	8.3	-		
	N	108	27	72	9	19	38	35	15	11	18	66	8	5		
Someone gave them to me	%	2.9	1.4	4.9	0.1	1.4	2.9	4.0	3.5	0.7	1.6	3.8	0.0	-		
	N	40	6	33	1	3	11	15	10	1	4	31	0	2		
Took them from a store	%	0.6	0.8	0.6	0.0	0.3	0.7	0.4	0.0	0.1	1.3	0.4	3.4	-		
	N	7	3	4	0	1	2	2	0	1	1	2	2	0		
Some other way	%	2.5	1.6	3.7	0.6	2.2	3.1	2.6	1.6	1.3	2.4	3.0	1.9	-		
	N	41	10	28	2	6	16	13	4	2	10	24	2	2		
Total	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	-		
	N	1,649	498	901	247	292	547	442	339	199	412	810	108	69		

Minnesota Statewide Data

INCLUDES ONLY THOSE WHO VAPED OR USED E-CIGARETTES IN THE LAST 30 DAYS		Grade		
		8th	9th	11th
		%	%	%
When you vaped or used an e-cigarette during the last 30 days, how did you get it? (Mark ALL that apply)	I bought it at gas stations or convenience stores	3%	3%	8%
	I bought it at grocery, discount or drug stores	2%	1%	2%
	I bought it on the internet	8%	8%	10%
	I bought it at vape shops or other stores that sell only e-cigarettes	5%	7%	14%
	I got it from friends	71%	76%	72%
	I got it from my parents	5%	3%	3%
	I got it from other family members	18%	12%	8%
	I got it from someone I didn't know	5%	7%	4%
	I got it by getting someone else to buy it for me	17%	19%	22%
	I took it from my home	5%	3%	1%
	I took it from a friend's home	4%	3%	2%
	I took it from stores	2%	1%	1%
	I got it some other way	18%	15%	12%

The next 5 questions ask about electronic vapor products, such as JUUL, Vuse, MarkTen, and blu. Electronic vapor products include e-cigarettes, e-cigars, vapes, vape pens, e-cigars, e-hookahs, hookah pens and mods.

37. Have you ever used an electronic vapor product?	
A. Yes	58.3
B. No	41.7

38. During the past 30 days, on how many days did you use an electronic vapor product?	
A. 0 days	69.8
B. 1 or 2 days	5.9
C. 3 to 5 days	3.5
D. 6 to 9 days	2.8
E. 10 to 19 days	5.2
F. 20 to 29 days	4.0
G. All 30 days	8.7

39. During the past 30 days, on how many days did you use an electronic vapor product on school property ?	
A. 0 days	81.1
B. 1 or 2 days	5.8
C. 3 to 5 days	2.8
D. 6 to 9 days	2.2
E. 10 to 19 days	3.0
F. 20 to 29 days	1.7
G. All 30 days	3.4

40. During the past 30 days, how did you usually get your own electronic vapor products? (Select only one response.)	
A. I did not use any electronic vapor products during the past 30 days	69.9
B. I bought them in a store such as a convenience store, supermarket, discount store, gas station, or vape store	5.7
C. I got them on the Internet	0.7
D. I gave someone else money to buy them for me	6.9
E. I borrowed them from someone else	10.6
F. A person who can legally buy these products gave them to me	2.6
G. I took them from a store or another person	0.2
H. I got them some other way	3.4

41. What is the main reason you have used electronic vapor products? (Select only one response.)	
A. I have never used an electronic vapor product	45.2
B. Friend or family member used them	13.5
C. To try to quit using other tobacco products	1.9
D. They cost less than other tobacco products	0.9
E. They are easier to get than other tobacco products	0.8
F. They are less harmful than other forms of tobacco	4.8
G. They are available in flavors, such as mint, candy, fruit, or chocolate	7.0
H. I used them for some other reason	25.9

2019 YOUTH RISK BEHAVIOR SURVEY RESULTS

Rhode Island High School Survey

Detail Tables - Weighted Data

Q36: During the past 30 days, how did you usually get your own electronic vapor products?

Total		Age				Grade				Race/Ethnicity				
		Total	15 or younger	16 or 17	18 or older	9th	10th	11th	12th	Black*	Hispanic/Latino	White*	All other races*	Multiple races*
Did not use any vapor products	%	69.9	77.7	68.6	59.1	79.5	75.7	64.6	57.7	82.2	79.4	63.9	-	-
	N	1,100	511	471	118	423	289	215	153	92	380	496	51	48
Bought them in a store	%	7.6	1.2	5.4	25.4	0.8	2.1	7.2	21.6	5.0	4.8	9.1	-	-
	N	76	6	29	40	4	8	19	45	4	14	49	3	4
I got them on the Internet	%	0.9	0.3	0.8	2.1	0.2	0.5	0.8	2.0	0.0	1.5	0.8	-	-
	N	14	3	6	5	1	3	4	6	0	9	4	1	0
Someone else bought them	%	3.7	3.9	4.4	1.3	2.8	5.4	4.2	2.7	1.2	2.4	4.9	-	-
	N	49	23	24	2	14	18	12	5	1	9	35	1	2
Borrowed them	%	12.3	11.0	14.5	8.6	11.2	11.4	16.2	10.9	8.1	7.5	15.1	-	-
	N	171	67	87	16	58	38	48	25	8	33	110	5	12
Someone gave them to me	%	2.0	2.1	2.4	0.5	2.0	1.5	2.6	1.9	0.7	0.8	2.5	-	-
	N	29	13	15	1	10	6	9	4	1	4	19	2	2
Took them from a store	%	0.5	0.4	0.8	0.0	0.2	0.2	1.1	0.5	0.0	0.4	0.6	-	-
	N	7	2	5	0	1	1	4	1	0	2	4	0	1
Some other way	%	3.2	3.4	3.1	3.0	3.3	3.2	3.3	2.7	2.9	3.3	3.1	-	-
	N	44	20	19	5	16	10	10	6	2	12	25	1	4
Total	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	-	-
	N	1,490	645	656	187	527	373	321	245	108	463	742	64	73

Note: 123 students were excluded from this analysis.

*Non-Hispanic.

N = Number of students who selected this response option.

2021 SENATE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Fort Union Room, State Capitol

SB 2048
1/27/2021

relating to the uniform unclaimed property act; to provide for a report

Chair Klein opened the hearing at 9:40 a.m. All members were present. Senators Klein, Larsen, Burckhard, Vedaa, Kreun, and Marcellais.

Discussion Topics:

- Discussion on amendment

Senator Vedaa moved a DO PASS on Amendment 21.0167.03004 [9:42].

Senator Kreun seconded the motion [9:43].

[9:43]

Senators	Vote
Senator Jerry Klein	Y
Senator Doug Larsen	Y
Senator Randy A. Burckhard	Y
Senator Curt Kreun	Y
Senator Richard Marcellais	Y
Senator Shawn Vedaa	Y

Motion passed: 6-0-0

Senator Vedaa moved a DO PASS AS AMENDED [9:43].

Senator Larsen seconded the motion [9:43].

[9:43]

Senators	Vote
Senator Jerry Klein	Y
Senator Doug Larsen	Y
Senator Randy A. Burckhard	Y
Senator Curt Kreun	Y
Senator Richard Marcellais	Y
Senator Shawn Vedaa	Y

Motion passed 6-0-0

Senator Klein will carry the bill [9:44].

Chair Klein ended the hearing at 9:44 a.m.

Isabella Grotberg, Committee Clerk

January 26, 2021

SK
1/27
1002

PROPOSED AMENDMENTS TO SENATE BILL NO. 2048

Page 9, line 2, replace "drawn by a financial organization on itself" with "purchased by a remitter and made payable to a designated payee"

Page 9, line 3, after "officer" insert "or employee"

Page 9, line 3, remove "and"

Page 9, line 4, replace the underscored period with ":

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."

Page 15, line 12, after "A" insert "payroll card or a"

Page 15, line 12, after "a" insert "time"

Page 15, line 13, after the first "the" insert "date of"

Page 15, line 13, after the second "the" insert "time"

Page 15, line 13, replace ", except" with "or the date of the last indication of interest in the property by the apparent owner, whichever is earlier, provided"

Page 15, line 13, after "a" insert "time"

Page 15, line 15, after "owner" insert "has"

Page 15, line 16, after "renewal" insert ". 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"

Page 15, line 17, replace "three" with "two"

Page 16, line 9, replace "Amounts held on a payroll card, wages" with "Wages"

Page 22, line 7, after "organization" insert ", including an automatic deposit or withdrawal previously authorized by the apparent owner other than an automatic reinvestment of dividends or interest"

Page 23, line 9, after the underscored semicolon insert "or"

Page 23, line 10, remove "The administrator or the administrator's agent conducts a comparison for the"

Page 23, remove lines 11 through 16

Page 23, line 17, remove "e."

Page 23, line 24, remove "or d"

Page 24, line 5, remove "An insured or an annuitant is presumed dead if the date of the death of the"

Page 24, remove lines 6 through 8

Page 24, line 9, replace "annuitant or the legal representative of the insured or annuitant" with
"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"

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2048: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2048 was placed on the Sixth order on the calendar.

Page 9, line 2, replace "drawn by a financial organization on itself" with "purchased by a remitter and made payable to a designated payee"

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Page 9, line 3, remove "and"

Page 9, line 4, replace the underscored period with ":

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information to document the death of the insured or annuitant in accordance with the
time frame specified in chapter 26.1-55-02"

Renumber accordingly

2021 HOUSE JUDICIARY

SB 2048

2021 HOUSE STANDING COMMITTEE MINUTES

Judiciary

Room JW327B, State Capitol

SB 2048

3/3/2021

Relating to the uniform unclaimed property act; to provide for a report; to provide a penalty; and to provide a continuing appropriation.

Rep. Karls called the hearing to order at 10:00 AM.

Present: Representatives Klemin, Karls, Buffalo, Christensen, Cory, K Hanson, Jones, Magrum, Paulson, Paur, Satrom, and Vetter. Absent: Becker and Roers Jones

Discussion Topics:

- Savings Bonds
- Fraudulent claims

Rep. Klemin: Introduced the bill. Testimony # 7227

Jodie Smith, Board of University and School Lands: Testimony #7229 10:06

Susan Dollinger; ND Unclaimed Property: Verbal testimony 10:20

Bruce Ferguson, Senior Vice President, American Counsel of Life Insurers: Testimony # 7171 10:35

Rick Clayburgh, ND Bankers Association: Verbal testimony 10:38

Chairman Klemin closed the hearing at 10:44.

Rep. Karls: Do Pass Motion and Rerefer to Appropriations, if necessary

Rep. K. Hanson: Seconded

Roll Call Vote:

Representatives	Vote
Chairman Klemin	Y
Vice Chairman Karls	Y
Rep Becker	A
Rep. Christensen	N
Rep. Cory	Y
Rep T. Jones	Y
Rep Magrum	Y
Rep Paulson	Y
Rep Paur	Y
Rep Roers Jones	A
Rep B. Satrom	Y
Rep Vetter	Y
Rep Buffalo	Y
Rep K. Hanson	Y

11-1-2 Motion passed

Carrier: Rep. K. Hanson

Stopped 11:49

DeLores D. Shimek
Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2048, as engrossed: Judiciary Committee (Rep. Klemin, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (11 YEAS, 1 NAY, 2 ABSENT AND NOT VOTING). Engrossed SB 2048 was rereferred to the Appropriations Committee.



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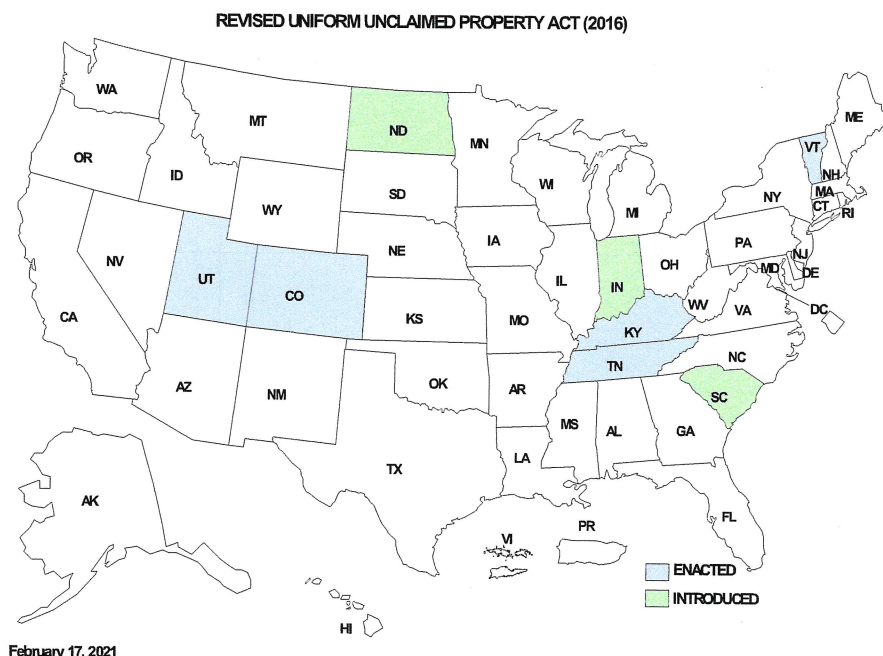
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A Few Facts about THE REVISED UNIFORM UNCLAIMED PROPERTY ACT (2016)

PURPOSE: The Revised Uniform Unclaimed Property Act (RUUPA) is the newest revision of the Uniform Unclaimed Property Act, originally promulgated by the Uniform Law Commission in 1954. Under the Act, property that is presumed abandoned or unclaimed must be reported and remitted to the states. If no valid property owner is identified, the state may sell the property and use the funds for its own purposes, so long as it retains some of the proceeds to honor claims of owners. A few of the changes in RUUPA are: clarifying the tangible and intangible property types included in the Act; establishing new events that trigger presumed abandonment; revising dormancy periods; refining the duties of holders of unclaimed property; and adding security and confidentiality provisions.

ORIGIN: Completed by the Uniform Law Commission in 2016.

ENACTED BY: Colorado, Kentucky, Tennessee, Utah, Vermont



For more information about the Revised Uniform Unclaimed Property Act, please contact ULC Legislative Counsel Kaitlin Wolff at (312) 450-6615 or kwolff@uniformlaws.org.

The ULC is a nonprofit formed in 1892 to create nonpartisan state legislation. Over 350 volunteer commissioners—lawyers, judges, law professors, legislative staff, and others—work together to draft laws ranging from the Uniform Commercial Code to acts on property, trusts and estates, family law, criminal law and other areas where uniformity of state law is desirable.



Uniform Law Commission

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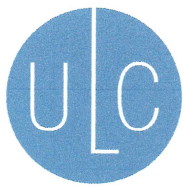
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WHY YOUR STATE SHOULD ADOPT THE REVISED UNIFORM UNCLAIMED PROPERTY ACT (2016)

The Revised Uniform Unclaimed Property Act (RUUPA) is the latest revision to the Uniform Unclaimed Property Act, originally promulgated by the Uniform Law Commission in 1954. RUUPA provides necessary updates to the Act that keep up with technological innovation and recognize new forms of property not included in prior versions of the Act. Some of the benefits of RUUPA are:

- ***The RUUPA clarifies which types of intangible property are covered in the Act.*** The following types of intangible property are now specifically included: virtual currency, payroll cards, stored-value cards, municipal bonds, health savings accounts, commissions, employee reimbursements, and custodial accounts for minors.
- ***The RUUPA provides specific dormancy periods.*** The Act establishes dormancy periods for many types of property for the first time. For example, a three-year dormancy period for health savings accounts, custodial accounts for minors, payroll card accounts, and stored-value cards. There is a one-year dormancy period for a commission or reimbursement owed to an employee.
- ***The RUUPA expands remedies for holders.*** If an administrator conducts an examination and determines that a holder is liable for unreported property, then the holder has several remedies under RUUPA. The Act provides for informal conferences between a holder and the administrator, as well as administrative and judicial review. These provisions do not exist in earlier versions of the uniform act.
- ***The RUUPA prioritizes information security.*** RUUPA establishes clear rules for the protection and use of confidential information, including rules for when confidential information may be disclosed. RUUPA also includes security-breach notification and response requirements.

For further information about the RUUPA, please contact ULC Legislative Counsel Kaitlin Wolff at (312) 450-6615 or kwolff@uniformlaws.org.



THE REVISED UNIFORM UNCLAIMED PROPERTY ACT (2016)

- A Summary -

The Revised Uniform Unclaimed Property Act (RUUPA) is an update to the Uniform Unclaimed Property Act, which was last amended in 1995. Every state has unclaimed property laws, which apply to all businesses, nonprofit organizations, government entities, and individuals who hold property owned by other persons or have fixed obligations to pay debts due to other persons.

The key parties involved in the distribution and processing of unclaimed property are the apparent owner, holder, and administrator. The apparent owner is the person whose name appears on the records of a holder as the owner of property held, issued, or owing by the holder. The holder is the person obligated to hold for the account of, or to deliver or pay to, the owner property that is subject to the RUUPA. If the property is “abandoned” under the Act, then the holder must report the property to the administrator, the state official responsible for administering the RUUPA.

Article 2 of the RUUPA establishes rules to determine if property is abandoned. Under the Act, property is presumed abandoned if it is unclaimed by its apparent owner after a specified period of time (the dormancy period). The length of the dormancy period depends on the type of property. RUUPA establishes dormancy periods for some types of property that were not covered in previous versions of the Act, including health savings accounts, custodial accounts for minors, stored-value cards, and more. Article 2 also includes rules for how and when the holder of the property must communicate with the apparent owner.

The RUUPA clarifies that property is not presumed abandoned if the apparent owner shows an interest in the property during the dormancy period designated in the Act. Some of the ways in which an apparent owner may show interest are by a record communicated by the apparent owner to the holder about the property, payment of a premium on an insurance policy, or deposit or withdrawal from an account at a financial institution.

Article 3 of the RUUPA establishes three priority rules to determine which state may take custody of property that is presumed abandoned. The first-priority rule grants custody to the state of the last-known address of the apparent owner, according to the holder’s records. If there is no record of the address of the apparent owner, or the address is in a state that does not permit the custodial taking of the property, then the property is subject to custodial taking by the state of corporate domicile of the holder. The third-priority rule permits a state administrator to take custody of the property if (1) the transaction involving the property occurred in the state; (2) the holder is domiciled in a state that does not provide for the custodial taking of the property; 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.

Under Articles 4 and 5 of the RUUPA, the holder of property presumed abandoned must send a notice to the apparent owner identifying the property and must file a report with the

administrator identifying the property. Some of the changes the RUUPA makes to the notice requirements include:

- permitting the use of electronic notices;
- requiring the notice to identify the property and its value, state that the property may be sold by the administrator, provide details for how to prevent the property from being delivered to the state, and establishing a deadline for when action must be taken by the owner to prevent the delivery of property to the state; and
- providing that the holder is not required to include confidential information in the notice that can be used to verify the identity of the individual.

The RUUPA alters some of the filing requirements, also. For example, states may not require unclaimed property reports to be submitted in paper form. In addition, holders are authorized to contract with third parties to report unclaimed property to the state administrator, but the holder remains liable for the failure of the third party to submit a complete, accurate, and timely report and to deliver unclaimed property to the state.

Articles 6 and 7 describe how the administrator may take custody of unclaimed property and how it may sell it. Except for securities, the RUUPA allows the administrator to sell the property three years after receipt, but it is not required to do so. Securities may be sold three or more years after the administrator receives the security and gives the apparent owner notice under Section 503. The administrator is prohibited from selling military medals or decorations awarded for military service. Instead, the administrator may deliver them to military veterans' organizations or governmental entities.

Article 8 directs the administrator to deposit all funds received under the Act into the general fund of the state, including proceeds from the sale of property under Article 7. Article 8 also requires the administrator to maintain records of the property.

Article 9 addresses various scenarios in which the administrator of one state would need to pay or deliver unclaimed property to another state, either because there is a superior claim to the property by the other state or the property is subject to the right of another state to take custody. Section 903 discusses claims for the property by a person claiming to be the property owner. If the property has a value less than \$250, then the administrator may waive the requirement to file a claim if the person receiving the property or payment is the same person as the apparent owner, as included in the holder's report, and the administrator reasonably believes the person is entitled to receive the property or payment.

Article 10 explains how an administrator may request property reports and how an administrator may examine records to determine if a person has complied with the Act. The RUUPA requires every administrator to adopt rules governing procedures and standards for an examination. The rules must specify that an examination will be conducted in accordance with the rules and with generally accepted examination practices and standards. The RUUPA also clarifies which records are confidential and exempt from public disclosure under the Act.

The RUUPA's Article 11 gives holders the right to seek review of determinations made by the administrator concerning their liability to deliver property or payment to the state. Three options

are provided for states to choose from consisting of (1) an informal conference with the administrator; (2) an administrative appeals process; and (3) a direct appeal to state court.

If the administrator's determination becomes final and is not subject to administrative or judicial review, the administrator is permitted to commence an action in court to enforce the determination and secure payment or delivery of past due, unpaid, or undelivered property. Article 12 imposes a penalty on a holder that fails to report, pay, or deliver property within the time required by the Act. Civil penalties may also apply if the holder enters into a contract to evade an obligation under the Act.

Article 13 of the RUUPA governs the enforceability of an agreement between an apparent owner and a "finder" to locate and recover property. The Act requires a signed record between the parties to designate the finder as an agent of the owner. The agent is then entitled to receive from the administrator all information concerning the property which the apparent owner would be entitled to receive, including information that would otherwise be considered confidential under the Act.

Article 14 explains what information is considered confidential under the Act. The Article describes when confidential information may be disclosed under the Act, and the steps that an administrator must take in the event of a security breach. The Act also permits a person that will be examined for compliance under the RUUPA to require all those who will have access to the person's records to sign a confidentiality agreement.

The Revised Uniform Unclaimed Property Act makes a number of updates to earlier versions of the uniform act in order to keep up with technological changes and new forms of property, as well as to clear up contested issues raised by various unclaimed property constituencies. The RUUPA offers a comprehensive set of rules for unclaimed property and should be enacted in every state.

For more information about the RUUPA, please contact ULC Legislative Counsel Kaitlin Wolff at (312) 450-6615 or kwolff@uniformlaws.org.



**TESTIMONY OF JODI SMITH
COMMISSIONER
North Dakota Department of Trust Lands**

Senate Bill 2048

**House Judiciary Committee
March 3, 2021**

Chairman Klemin and members of the House Judiciary Committee, I am Jodi Smith, the Commissioner and Secretary for the Board of University and School Lands (Board). I am here to testify in support of Senate Bill 2048.

The Department of Trust Lands (Department) is the administrative arm of the Board, serving under the direction and authority of the Board. The Board is comprised of the Governor, Secretary of State, Attorney General, State Treasurer, and Superintendent of Public Instruction. The Department's primary responsibility is managing the Common Schools Trust Fund (CSTF) and 12 other permanent educational trust funds. The beneficiaries of the trust funds include local school districts, various colleges and universities, and other institutions in North Dakota. The Department manages five additional funds: the Strategic Investment and Improvements Fund, the Coal Development Trust Fund, the Capitol Building Fund, the Indian Cultural Education Trust, and the Theodore Roosevelt Presidential Library and Museum Endowment.

The Department also operates the Energy Infrastructure and Impact Office (EIIO), which provides financial support to political subdivisions that are affected by energy development. Assistance is provided through both the oil and gas impact grant program and the coal impact loan program. The EIIO also distributes energy and flood grants carried over from prior biennia.

Additionally, the Department administers the Uniform Unclaimed Property Act, N.D.C.C. ch. 47-30.1. In this role, the Department collects "unclaimed property" (uncashed checks, unused bank accounts, etc.), processes owners' claims and engages in holder compliance. This property is held in permanent trust for owners to claim, with the revenue from the investment of the property benefiting the CSTF.

In order to understand the significant role the Unclaimed Property Division (Division) plays within the Department, it is important to define the meaning of "unclaimed property," the processes involved, and its history across the nation and in North Dakota. In this context, the term "property" includes tangible assets, such as the contents of a safe deposit box, and intangible assets, such as uncashed checks and abandoned bank accounts. When these assets have been inactive for

a statutory dormancy period they become “unclaimed property” and are subject to unclaimed property law.

There are essentially two components of the Division: collections and claims. Each component plays a distinctly different, but equally critical, role in the Division.

The collection component addresses holder compliance and education, including the collection, documentation, and holder’s transfer of assets to the Division. N.D.C.C. § 47-30.1-01(7) defines a holder as “a person, wherever organized or domiciled, who is: a. In possession of property belonging to another; b. A trustee; or c. Indebted to another on an obligation.” Annually, any business or entity conducting business in the state of North Dakota is statutorily mandated to review its financial records to verify it is not holding any assets that are unclaimed. If the business or entity discovers that it is in possession of such an asset, it is required to attempt to locate the rightful owner using the best information available to it as the holder. After the expiration of statutory dormancy period and unsuccessful attempts to reunite the owner with the property, the holder must transfer the asset and all the identifying information to the Division as part of its “holder report”. Once the State has assumed custody of the asset, it is held in perpetuity by the Department, and the Division proceeds to attempt to reunite the unclaimed asset with its rightful owner or heir.

The claims component addresses the reuniting of inactive, lost, misplaced, or unclaimed assets with the rightful owner or heir. “Owner” is defined as “a depositor in the case of a deposit, a beneficiary in case of a trust other than a deposit in trust, a creditor, claimant, or payee in the case of other intangible property, or a person having a legal or equitable interest in property subject to this chapter or that person’s legal representative.” N.D.C.C. § 47-30.1-01(12). Owners are required to submit documentation to the Division to establish ownership of the asset and verify the identity of the person filing the claim (the claimant).

In January 1975, Senate Bill 2079 was introduced relating to defining abandoned personal property, providing methods for the same to be taken into custody of the State; for its recovery by the rightful owner; for an administrator; for a penalty; and repeal of certain sections relating to unclaimed funds. The original bill proposed unclaimed property be administered by the Attorney General’s Office with the revenue generated benefiting the general fund. During committee deliberation in February 1975, it was determined there would be a division in the “state land commissioner’s office” known as the abandoned property office and the “state land commissioner” shall employ the “administrator” of the new unclaimed property office with the revenue from the interest earned benefiting the CSTF. The Forty-fourth Legislative Assembly passed Senate Bill 2079, creating North Dakota’s Unclaimed Property Division within the “state land commissioner’s office”.

Since 1975, the Division’s primary focus has been to reunite unclaimed property with its rightful owner. Due to the nature of unclaimed property, much of the property is reported to the Division because of a breakdown in communication between the holder and the owner, incomplete owner information, or inaccurate information, such as invalid mailing addresses. It is estimated that 1 in 7 North Dakotans have unclaimed property. There has been a steady increase in the amount of funds and reports received from holders, claims paid, and amount of funds returned to owners. The 2017-2019 biennium saw a total of 8,807 properties paid, resulting in \$7,355,430.95 returned to owners. Abandoned property reported to the Department totaled \$27,239,906.13 from the receipting of 5,365 holder reports and 67 safe boxes.

In 1954, the Uniform Law Commission developed the first Uniform Unclaimed Property Act in the United States, motivated by the importance of reuniting property with its rightful owner. Since its inception in 1954, the Act has been amended in 1966, 1981, 1995, and 2016, and adopted in some variation in all 50 states, Washington D.C., Puerto Rico, and three Canadian provinces. Every state has unclaimed property laws, which apply to all businesses, nonprofit organizations, government entities, and individuals who hold property owned by other persons or have fixed obligations to pay debts due to other persons.

In 1985, the Forty-ninth Legislative Assembly passed Senate Bill 2178 adopting the 1981 Uniform Unclaimed Property Act (1981 Act) with revisions. Since this time, the Division has complied with the 1981 Act. Although there have been revisions and additions to N.D.C.C. ch. 47-30.1, there has not been a complete overhaul of the chapter since 1985.

The Department is recommending the adoption of the 2016 Revised Uniform Unclaimed Property Act (RUUPA), which would result in the repeal of N.D.C.C. ch. 47-30.1 and the enactment of a new unclaimed property chapter at N.D.C.C. ch. 47-30.2. When reviewing the proposed legislation, you will note that the related sections of RUUPA are listed in parentheses after the new sections of N.D.C.C. ch. 47-30.2. RUUPA provides necessary updates to the 1981 Act that keep with technological innovation and recognize new forms of property not included in the 1981 Act. RUUPA is the result of more than three years of study and drafting. The drafting committee considered thousands of pages of comments from more than 100 interested parties during the drafting process. RUUPA contains beneficial changes for consumers, states, and holders. Additionally, the Department worked with the Uniform Law Commission, the North Dakota Statutory Committee, and other partnering agencies who will be directly impacted by the implementation of RUUPA.

Since 2016, five states have implemented RUUPA with revisions. Additionally, there are four states that currently have RUUPA introduced for adoption. The Department has consulted with several states to best understand lessons learned and modify RUUPA accordingly. The Department has also been working with the Uniform Law Commission to ensure the proposed modifications do not deviate from the intentions set forth through the drafting of RUUPA by the Uniform Law Commission. Attached is a table outlining the modifications the Department has made from the original RUUPA and the justification for the modification.

Some of the benefits of RUUPA are:

- RUUPA clarifies which types of intangible property are covered. The following types of intangible property are now specifically included: virtual currency, payroll cards, stored-value cards, municipal bonds, health savings accounts, commissions, employee reimbursements, and custodial accounts for minors.
- RUUPA provides specific dormancy periods and establishes dormancy periods for many types of property for the first time. For example, a three-year dormancy period was established for health savings accounts, custodial accounts for minors, and stored-owned value cards.
- RUUPA expands remedies for holders. If an administrator conducts an examination and determines that a holder is liable for unreported property, then the holder has several remedies under RUUPA. RUUPA provides for informal conferences between a holder and

the administrator. It also provides that a person in this state aggrieved by an audit that in any form requests payment of money or a civil penalty is entitled to a hearing before the board upon request. These provisions do not exist in the 1981 Act.

- RUUPA prioritizes information security. RUUPA establishes clear rules for the protection of confidential information and includes security-breach notification and response requirements.

N.D.C.C. §§ 47-30.2-04 through 47-30.2-14, as proposed, establish rules to determine if property is abandoned. Property is presumed abandoned if it is unclaimed by its apparent owner after a specified period of time (the dormancy period). The length of the dormancy period depends on the type of property. RUUPA establishes dormancy periods for some types of property that were not covered in previous versions of the Uniform Unclaimed Property Act, including health savings accounts, custodial accounts for minors, stored-value cards, and more. These sections also include rules for how and when the holder of the property must communicate with the apparent owner. RUUPA clarifies that property is not presumed abandoned if the apparent owner shows an interest in the property during the designated dormancy period. Some of the ways in which an apparent owner may show interest are by a record communicated by the apparent owner to the holder about the property, payment of a premium on an insurance policy, or deposit or withdrawal from an account at a financial institution.

N.D.C.C. §§ 47-30.2-15 through 47-30.2-20, as proposed, establish three priority rules to determine which state may take custody of property that is presumed abandoned. The first-priority rule grants custody to the state of the last-known address of the apparent owner, according to the holder's records. If there is no record of the address of the apparent owner, or the address is in a state that does not permit the custodial taking of the property, then the property is subject to custodial taking by the state of corporate domicile of the holder. The third-priority rule permits a state administrator to take custody of the property if (1) the transaction involving the property occurred in the state; (2) the holder is domiciled in a state that does not provide for the custodial taking of the property; 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.

Under N.D.C.C. §§ 47-30.2-21 through 47-30.2-29, as proposed, the holder of property presumed abandoned must send a notice to the apparent owner identifying the property and must file a report with the administrator identifying the property. Some of the changes RUUPA makes to the notice requirements include:

- Permitting the use of electronic notices;
- Requiring the notice to identify the property and its value, state that the property may be sold by the administrator, provide details for how to prevent the property from being delivered to the state, and establishing a deadline for when action must be taken by the owner to prevent the delivery of property to the state; and
- Providing that the holder is not required to include confidential information in the notice that can be used to verify the identity of the individual. See N.D.C.C. § 47-30.2-71, as proposed.

RUUPA also alters some of the filing requirements. For example, states may not require unclaimed property reports to be submitted in paper form. In addition, holders are authorized to

contract with third parties to report unclaimed property to the state administrator, but the holder remains liable for the failure of the third party to submit a complete, accurate, and timely report and to deliver unclaimed property to the state.

N.D.C.C. §§ 47-30.2-30 through 47-30.2-39, as proposed, describe how the administrator may take custody of unclaimed property and how it may sell it. Except for securities, RUUPA allows the administrator to sell the property three years after receipt, but it is not required to do so. Securities may be sold three or more years after the administrator receives the security and gives the apparent owner notice under proposed N.D.C.C. § 47-30.2-28. The administrator is prohibited from selling military medals or decorations awarded for military service. Instead, the administrator may deliver them to the state historical society of North Dakota or the agency that awarded the medal or decoration.

N.D.C.C. §§ 47-30.2-44 through 47-30.2-47, as proposed, direct the administrator to deposit all funds received under the Act into the CSTF, including proceeds from the sale of property as mentioned above. These sections also require the administrator to maintain records of the property.

N.D.C.C. §§ 47-30.2-48 through 47-30.2-53, as proposed, address various scenarios in which the administrator of one state would need to pay or deliver unclaimed property to another state, either because there is a superior claim to the property by the other state or the property is subject to the right of another state to take custody. Proposed N.D.C.C. § 47-30.2-50 discusses claims for the property by a person claiming to be the property owner and provides the administrator may waive the requirement to file a claim in certain circumstances.

N.D.C.C. §§ 47-30.2-54 through 47-30.2-62, as proposed, explain how an administrator may request property reports and how an administrator may examine records to determine if a person has complied with the Unclaimed Property Act. RUUPA requires every administrator to adopt rules governing procedures and standards for an examination.

N.D.C.C. §§ 47-30.2-65 through 47-30.2-66, as proposed, discuss the penalties if a holder fails to report, pay, or deliver property within the time required and if the holder enters into a contract to evade an obligation under RUUPA.

N.D.C.C. §§ 47-30.2-68 through 47-30.2-70, as proposed, govern the enforceability of an agreement between an apparent owner and a "finder" to locate and recover property. A signed record between the parties to designate the finder as an agent of the owner is required. The agent is then entitled to receive from the administrator all information concerning the property which the apparent owner would be entitled to receive, including information that would otherwise be considered confidential.

N.D.C.C. §§ 47-30.2-71 through 47-30.2-73, as proposed, address that no confidential information is required to be contained in the notice of a holder and provides requirements for security of information and steps that an administrator must take in the event of a security breach.

In April 2019, the Division implemented a new information technology system and simultaneously went live with a new website. The Division can now "fast track" eligible claims. This adds efficiency to the Division and returns funds to owners in a shorter time. Additionally, in January 2019 the Division implemented Administrative Rules. With the successful implementation of

Administrative Rules and a new information technology solution, the Division has seen significant increase in the ability to return funds to owners. The next step in creating greater opportunities to return funds to owners is updating the Uniform Unclaimed Property Act.

I look forward to working with the committee on these issues and will answer any questions.

**COMPARISON OF
2016 REVISED UNIFORM UNCLAIMED PROPERTY ACT (RUUPA)
AND PROPOSED N.D.C.C. CHAPTER 47-30.2**

RUUPA Section	Topic	Justification for Modification
Throughout	Use of the word Act	Revised to refer to this chapter at recommendation of Legislative Council
Throughout		Changed language to better reflect language used in North Dakota law or to add clarification without changing the meaning
Throughout		The new chapter of the Century Code will be 47-30.2. The section number of RUUPA was deleted and each section was given its own century code section number with the RUUPA section in parens. For example, 47-30.2-01(102). These internal references will be in the new code.
101	Short Title	Removed as not needed
102	Definitions	<ul style="list-style-type: none"> - Throughout definitions, removed references to federal laws so that we would have stand-alone laws that would not have to be changed each time federal law is changed. In some instances, we inserted the text of the federal law rather than the reference - "Administrator" revised to retain current definition and clarify authority given under this chapter - Added "board" as the Unclaimed Property Division (UP Division) serves under the direction and authority of the Board of University and School Lands and to clarify authority given under this chapter - Added "cashier's check" as it was not addressed - Added "commissioner" to be defined as the Commissioner of University and School Lands and to clarify authority given under this chapter - "Confidential information" revised to "confidential record" to align with North Dakota open records statutes - Added "department" as the Unclaimed Property Division is a division of the Department of Trust lands (DTL) - "Financial organization" was revised to better align with how North Dakota law is worded - "Gift card" revised to differentiate from stored value cards - "Insurance company" revised to reference North Dakota statute - Maintained the current "mineral proceeds" definition - "Payroll card" was revised to differentiate between payroll card, stored value cards, and property types - "Property" revised to include in-store credit and mineral proceeds - "Record" - revised to align with current open records statutes

**COMPARISON OF
2016 REVISED UNIFORM UNCLAIMED PROPERTY ACT (RUUPA)
AND PROPOSED N.D.C.C. CHAPTER 47-30.2**

RUUPA Section	Topic	Justification for Modification
		- "Security" - revised to cite to North Dakota statutes rather than federal - "Stored value card" revised to differentiate from payroll cards, gift cards, and other property types
201	Abandonment	Various abandonment periods were changed to reflect abandonment periods provided in current North Dakota law
202	Tax Deferred Retirement Account Abandonment	Changed to reference North Dakota rather than federal law; modified regarding email communication; included tax-exempt
203	When Other Tax Deferred or Tax Exempt Account Presumed Abandoned	Included tax-exempt
204	Custodial Account for Minors	Revised to reflect current North Dakota statute and provide more clarity
205	Safe boxes	Revised to reflect current law
207	Gift card	Removed as gift card is excluded from the definition of property
210	Indication of Apparent owner Interest in Property	Revised to clarify owner-generated activity is required
211	Knowledge of Death of Insured or Annuitant	Revised to align with North Dakota law
307	Burden of Proof to Establish Administrator's Right to Custody	Removed as not addressed in current law
401	Report Required by Holder	Removed requirement for paper report as UP Division requires electronic reporting under Administrative Rules; a holder may file a negative report
402	Content of Report	Revised as UP Division requires electronic reporting under Administrative Rules; revised the dollar amount from \$50 to \$25 as recommended by the North Dakota Auditor's Office
403	When Report to be Filed	Revised for clarification
501	Notice to Apparent Owner by holder	Revised to reflect current law; revised the dollar amount from \$50 to \$25 as recommended by the North Dakota Auditor's Office and to align with lowered aggregate amount
503	Notice by administrator	Revised the dollar amount from \$50 to \$25 as recommended by the North Dakota Auditor's Office and to align with lowered aggregate amount; incorporated reference to publication in biennial report as already provided in the biennial report and to maintain consistency throughout DTL; provided more information as to the website to provide the owners more opportunity to recover their property

**COMPARISON OF
2016 REVISED UNIFORM UNCLAIMED PROPERTY ACT (RUUPA)
AND PROPOSED N.D.C.C. CHAPTER 47-30.2**

RUUPA Section	Topic	Justification for Modification
602	Dormancy charge	Dormancy charge for all property types combined and moved to this section 602; revised wording to clarify
603	Payment or Delivery of Property to Administrator	Revised to reflect that tangible property is due at the time of the holder report
604	Effect of Payment or Delivery of Property to administrator	Revised to add more clarity as to values for indemnification and liability purposes
605	Recovery of Property by Holder from Administrator	Revised as North Dakota is not an interest-bearing state for purposes of unclaimed property claims; revised as UP Division is not subject to the adjudicative process under N.D.C.C. ch. 28-32
607	Crediting Income or Gain to Owner's Account	Revised as North Dakota is not an interest-bearing state for purposes of unclaimed property claims
701	Public Sale of Property	Removed publication requirements of a public sale to gain wider exposure by advertising on the website
702	Disposal of Securities	Revised as unduly burdensome as worded and has a negative impact on the trusts
703	Recovery of Securities or Value by Owner	Removed because unduly burdensome as worded and has a negative impact on the trusts
705	Military Medal or Decoration.	Revised to remove the federal reference and to keep the property in the state
801	Deposit of Funds by Administrator	Revised to comply with requirements of North Dakota law and clarify authority given under this chapter; addressed comments made by the drafters of RUUPA
803	Expenses and service charges of administrator.	Removed the RUUPA language and instead incorporated language regarding Deposit of Funds – Continuing Appropriation to comply with requirements of current North Dakota law and clarify authority given under this chapter
903	Claim for Property by Person Claiming to be Owner	Revised to enhance efficiency of fast tracking through UP Division's computer system; considered comments made by the drafters of RUUPA
904	When Administrator Must Honor Claim for property	Revised to allow for future payment of the claim
905	Allowance of Claim for Property	Revised to require agencies to submit a claim, rather than the administrator seeking out the agencies
906	Action by person whose Claim is Denied	Revised to reflect the notice requirement of N.D.C.C. § 32-12.2-04 and considered the comments made by the drafters of RUUPA regarding public policy of the State
1003	Rules for Conducting Examination	Revised to allow for estimation

**COMPARISON OF
2016 REVISED UNIFORM UNCLAIMED PROPERTY ACT (RUUPA)
AND PROPOSED N.D.C.C. CHAPTER 47-30.2**

RUUPA Section	Topic	Justification for Modification
1004	Records Obtained in Examination	Revised to reflect other similar law guiding the Department (particularly N.D.C.C. § 44-04-18.29) and to reflect current North Dakota open records law
1007	Report to Person whose records were Examined	Revised to add clarification
1008	Complaint to Administrator about Conduct of Person Conducting examination	Revised to add clarification
1009	Administrator's Contract with Another to Conduct Examination	Removed as covered by procurement law
1010	Limit on Future Employment	Removed as cannot enforce in North Dakota
1011	Report to Administrator by State Official	Removed as state law requires a biennial report which is addressed in 47-30.2-28(3)(a)
Article 11	Determination of Liability; Putative Holder Remedies	Removed and 47-30.2-75 added to reflect current law (47-30.1-32) as it relates to holder appeals
1201	Judicial Action to Enforce Liability	Removed as the UP Division is not subject to the adjudicative process under N.D.C.C. ch. 28-32 and 47-30.2-75 added to incorporate current law (47-30.1-32) as it relates to appeals
1203	Action Involving Another State or Foreign Country	Revised to not handle lawsuits on behalf of other states; revised in accordance with North Dakota law – continuing appropriations
1204	Interest and Penalty for Failure to Act in Timely manner	Revised to align for consistency across DTL divisions
1206	Waiver of Interest and penalty	Removed and 47-30.2-67 added to align for consistency across DTL divisions
1301	When Agreement to Locate Property Enforceable	Revised to reflect current law and better protect the property of our citizens
1302	When Agreement to Locate Property Void	Revised to reflect current law and better protect the property of our citizens
1303	Right of Agent of Apparent owner to Recover Property held by Administrator	Revised as the right is granted through other legal avenues (Power of Attorney)
1401-1407	Confidentiality and Security of Information	Removed 1401, 1402, 1403, and 1404 as these are adequately covered under N.D.C.C. ch. 44-04. Revised 1405, 1406, and 1407 based on current North Dakota open records law

**COMPARISON OF
2016 REVISED UNIFORM UNCLAIMED PROPERTY ACT (RUUPA)
AND PROPOSED N.D.C.C. CHAPTER 47-30.2**

RUUPA Section	Topic	Justification for Modification
1408	Indemnification for Breach	Removed based on consultation with Risk Management Division and the comments section of the RUUPA
1501	Uniformity of Application and construction	Removed as not needed
1502	Relation to Electronic Signatures in Global and National Commerce Act	Removed as not needed
1503	Transitional Provision	Revised to incorporate language in current law (47-30.1-37)
1504	Severability	Removed as there is a general reference to this in the North Dakota Century Code
1505	Repeals; Conforming Amendments	Removed as not needed
1506	Effects of new Provisions – clarification of Application.	Removed as not needed

TESTIMONY OF THE AMERICAN COUNCIL OF LIFE INSURERS

Before The
House Judiciary Committee

March 3, 2021

Senate Bill 2048 – An Act Relating to the Uniform Unclaimed Property Law

Chairman Klemin and members of the House Judiciary Committee, the American Council of Life Insurers (ACLI) appreciates the opportunity to offer the following statement on Senate Bill 2048, which would update North Dakota law to incorporate, in substantial part, the most recent version of the Uniform Law Commission's Revised Uniform Unclaimed Property Act (RUUPA).

ACLI members are the leading writers of life insurance, annuities, disability income insurance, long-term care insurance and supplemental benefit insurance here in North Dakota and across the country. Life insurers are also among the many holders of unclaimed property that would be governed and impacted by this legislation.

Our Position

ACLI secured amendments to Senate Bill 2048 in the Senate Industry, Business and Labor Committee to make it consistent and compatible with existing North Dakota insurance law governing unclaimed life insurance benefits in Chapter 26.1-55. Our amendments were supported by the sponsor of the legislation, Senator Hogue, and Insurance Commissioner Godfreed. As amended, ACLI supports the Senate-passed version of Senate Bill 2048.

Background

Originally promulgated by the Uniform Law Commission in 1954, the Uniform Unclaimed Property Act is a comprehensive law governing property that is presumed abandoned or unclaimed and must be remitted to the state. The state unclaimed property administrator acts essentially as a custodian of the property until the rightful owner or, in the case of a life insurance policy, a beneficiary claims it after the policyowner is presumed dead. Various versions of this Uniform Law had been enacted in North Dakota over the years.

Meanwhile, the North Dakota legislature enacted a law in 2013 governing the use by life insurers of the U.S. Social Security Administration's death master file (DMF) for identifying owners of life insurance, annuities or retained asset accounts who may have died (Chapter 26.1-55). Among other things, this law requires life insurers to periodically check its policyholder records against the DMF to determine any potential matches. For each potential match, an insurer is required to complete a good faith effort to confirm the death, determine if benefits are owed the insured or the insured's beneficiaries and assist them with filing claims for the benefits.

If the insurer is unsuccessful in contacting the insured or the insured's known beneficiaries, the property is presumed abandoned and reported to the state pursuant to the state's unclaimed property law in Chapter 47. This legislation was based on a Model Law adopted by the National Conference of Insurance Legislators (NCOIL), which ACLI supports. We appreciate the leadership of Senator Klein and Representative Keiser as they worked to fashion a Model Law at NCOIL that has become widely adopted by the states, including North Dakota.

Three years later, the Uniform Law Commission completed a multi-year effort in 2016 to update its Uniform Unclaimed Property Act. ACLI actively participated in this effort and worked with the Uniform Law Commissioners to make the Revised Act compatible with the NCOIL Unclaimed Life Insurance Benefits Model Act, given the interplay between the operative provisions of both uniform laws regarding life insurer unclaimed property practices. To date, RUUPA has been enacted in some form in five states (Colorado, Kentucky, Tennessee, Utah and Vermont).

We appreciate the efforts by the drafters of Senate Bill 2048 to conform to the letter and spirit of the Uniform Law Commission's RUUPA in most substantive respects. The amendments we sought in the Senate were designed to make the bill consistent with the insurance code and, in the case of Section 2, remove redundant and unnecessary DMF search requirements by the unclaimed property administrator.

DMF Searches and Matches

As introduced, the bill would have authorized the state unclaimed property administrator or its agents to conduct its own DMF searches for the purpose of finding matches. Given the DMF search duties already required of insurers under the insurance code, under the watchful eye of the insurance commissioner, ACLI believes this duplicative requirement was neither necessary nor appropriate.

If the state unclaimed property administrator has reason to believe an insurer is not appropriately conducting DMF searches or escheating unclaimed property to the state, the administrator can always request the insurance commissioner to compel the insurer to explain, justify or correct its DMF search and unclaimed property reporting practices. The North Dakota Insurance Department is one of the lead regulatory agencies overseeing life insurer unclaimed property practices on a national basis, so it already possesses considerable expertise and oversight capabilities.

Since the insurance code was amended in 2013, DMF matches have reduced to *de minimis* numbers as life insurers continue to check their policyholder records on a semi-annual basis. One of top writers of individual life insurance in North Dakota reported a total of 6 unclaimed property claims initiated in 2020 as a result of a DMF match.

One final point worth noting is that the National Association of Insurance Commissioners (NAIC) has developed, with ACLI's support, a Lost Policy Locator, a national system that assists consumers in locating life insurance policies and annuity contracts of a deceased family member or close relationship. When a consumer request is submitted, the NAIC will request life insurers to search their records to determine if a policy in the name of the deceased exists and if so, assist the beneficiary in filing a claim for benefits.

For these reasons, the Senate saw fit not to subject life insurers to duplicative regulatory jurisdiction when existing law and oversight by the insurance department protects the interests of life insurance consumers in the Peace Garden State.

Chairman Klemin and members of the Committee, I appreciate the opportunity you have given us to provide our comments on Senate Bill 2048 and stand ready to answer any questions you may have.

Respectfully submitted,

J. Bruce Ferguson
Senior Vice President, State Relations
American Council of Life Insurers
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Washington, DC 20001
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2021 HOUSE STANDING COMMITTEE MINUTES

Judiciary

Room JW327B, State Capitol

SB 2048

3/17/2021

Relating to the unclaimed property act; to provide for a report; to provide a penalty; and to provide a continuing appropriation.

Chairman Klemin called the hearing to order at 8:30 AM.

Present: Representatives Klemin, Karls, Becker, Buffalo, Christensen, Cory, K Hanson, Jones, Magrum, Paulson, Paur, Roers Jones, Satrom, and Vetter.

Discussion Topics:

- Reconsideration
- Amendment

Chairman Klemin: Testimony #7227

Rep. T. Jones: Reconsider bill motion

Rep. Satrom: Seconded

Roll call vote:

Representatives	Vote
Chairman Klemin	Y
Vice Chairman Karls	Y
Rep Becker	Y
Rep. Christensen	Y
Rep. Cory	Y
Rep T. Jones	Y
Rep Magrum	Y
Rep Paulson	Y
Rep Paur	Y
Rep Roers Jones	Y
Rep B. Satrom	Y
Rep Vetter	Y
Rep Buffalo	Y
Rep K. Hanson	Y

14-0-0 Motion passed

Levi Andrist: GA Group, PC; ND Lobbyists Association. Verbal testimony

Jodi Smith, Secretary for the Board of University and School Lands Board: Testimony # 7229

Bruce Ferguson, Senior Vice President, American Counsel of Life Insurers: Testimony
7171, 9717, 9718

Chairman Klemin closed the hearing at 8:51.

Rep. Satrom: Motion to adopt amendment 21.0167.04001

Rep. Paur: Seconded

Voice vote carried.

Rep. Satrom: Do Pass as amended motion

Rep. Paur: Seconded

Roll call vote:

Representatives	Vote
Chairman Klemin	Y
Vice Chairman Karls	Y
Rep Becker	Y
Rep. Christensen	Y
Rep. Cory	Y
Rep T. Jones	Y
Rep Magrum	Y
Rep Paulson	Y
Rep Paur	Y
Rep Roers Jones	Y
Rep B. Satrom	Y
Rep Vetter	Y
Rep Buffalo	Y
Rep K. Hanson	Y

14-0-0 Motion passed Carrier: Rep. K. Hanson

Stopped 8:53

DeLores D. Shimek
Committee Clerk

March 17, 2021

CU
3/17/21
1 of 1

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2048

Page 15, line 30, replace "one year" with "three years"

Page 16, line 3, remove "one"

Page 16, line 4, replace "year" with "three years"

Page 16, line 8, replace "one year" with "three years"

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2048, as engrossed: Judiciary Committee (Rep. Klemin, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2048 was placed on the Sixth order on the calendar.

Page 15, line 30, replace "one year" with "three years"

Page 16, line 3, remove "one"

Page 16, line 4, replace "year" with "three years"

Page 16, line 8, replace "one year" with "three years"

Renumber accordingly



Uniform Law Commission

NATIONAL CONFERENCE OF COMMISSIONERS ON UNIFORM STATE LAWS

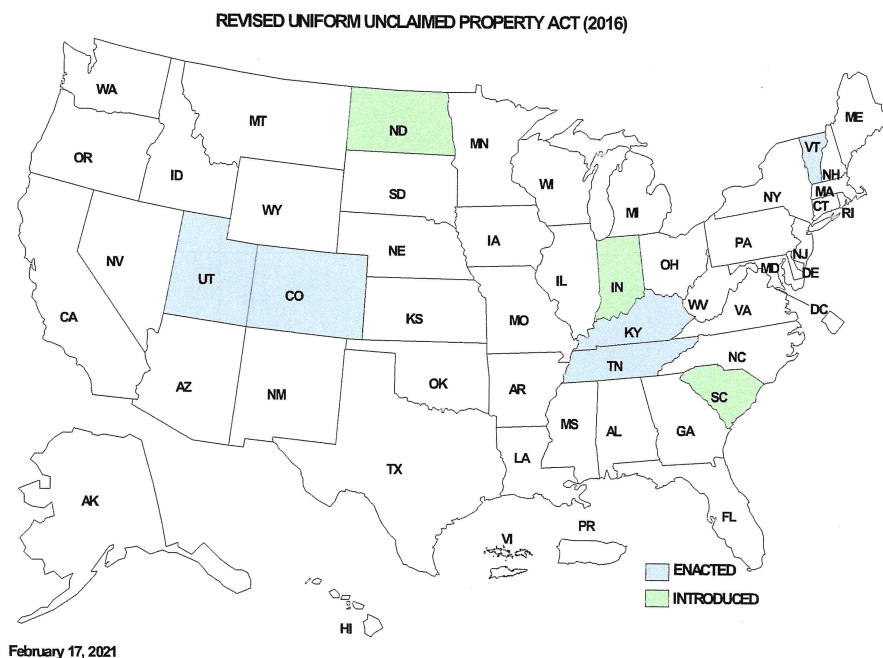
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A Few Facts about THE REVISED UNIFORM UNCLAIMED PROPERTY ACT (2016)

PURPOSE: The Revised Uniform Unclaimed Property Act (RUUPA) is the newest revision of the Uniform Unclaimed Property Act, originally promulgated by the Uniform Law Commission in 1954. Under the Act, property that is presumed abandoned or unclaimed must be reported and remitted to the states. If no valid property owner is identified, the state may sell the property and use the funds for its own purposes, so long as it retains some of the proceeds to honor claims of owners. A few of the changes in RUUPA are: clarifying the tangible and intangible property types included in the Act; establishing new events that trigger presumed abandonment; revising dormancy periods; refining the duties of holders of unclaimed property; and adding security and confidentiality provisions.

ORIGIN: Completed by the Uniform Law Commission in 2016.

ENACTED BY: Colorado, Kentucky, Tennessee, Utah, Vermont



For more information about the Revised Uniform Unclaimed Property Act, please contact ULC Legislative Counsel Kaitlin Wolff at (312) 450-6615 or kwolff@uniformlaws.org.

The ULC is a nonprofit formed in 1892 to create nonpartisan state legislation. Over 350 volunteer commissioners—lawyers, judges, law professors, legislative staff, and others—work together to draft laws ranging from the Uniform Commercial Code to acts on property, trusts and estates, family law, criminal law and other areas where uniformity of state law is desirable.



Uniform Law Commission

NATIONAL CONFERENCE OF COMMISSIONERS ON UNIFORM STATE LAWS

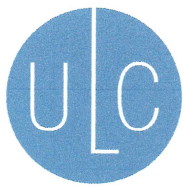
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WHY YOUR STATE SHOULD ADOPT THE REVISED UNIFORM UNCLAIMED PROPERTY ACT (2016)

The Revised Uniform Unclaimed Property Act (RUUPA) is the latest revision to the Uniform Unclaimed Property Act, originally promulgated by the Uniform Law Commission in 1954. RUUPA provides necessary updates to the Act that keep up with technological innovation and recognize new forms of property not included in prior versions of the Act. Some of the benefits of RUUPA are:

- ***The RUUPA clarifies which types of intangible property are covered in the Act.*** The following types of intangible property are now specifically included: virtual currency, payroll cards, stored-value cards, municipal bonds, health savings accounts, commissions, employee reimbursements, and custodial accounts for minors.
- ***The RUUPA provides specific dormancy periods.*** The Act establishes dormancy periods for many types of property for the first time. For example, a three-year dormancy period for health savings accounts, custodial accounts for minors, payroll card accounts, and stored-value cards. There is a one-year dormancy period for a commission or reimbursement owed to an employee.
- ***The RUUPA expands remedies for holders.*** If an administrator conducts an examination and determines that a holder is liable for unreported property, then the holder has several remedies under RUUPA. The Act provides for informal conferences between a holder and the administrator, as well as administrative and judicial review. These provisions do not exist in earlier versions of the uniform act.
- ***The RUUPA prioritizes information security.*** RUUPA establishes clear rules for the protection and use of confidential information, including rules for when confidential information may be disclosed. RUUPA also includes security-breach notification and response requirements.

For further information about the RUUPA, please contact ULC Legislative Counsel Kaitlin Wolff at (312) 450-6615 or kwolff@uniformlaws.org.



THE REVISED UNIFORM UNCLAIMED PROPERTY ACT (2016)

- A Summary -

The Revised Uniform Unclaimed Property Act (RUUPA) is an update to the Uniform Unclaimed Property Act, which was last amended in 1995. Every state has unclaimed property laws, which apply to all businesses, nonprofit organizations, government entities, and individuals who hold property owned by other persons or have fixed obligations to pay debts due to other persons.

The key parties involved in the distribution and processing of unclaimed property are the apparent owner, holder, and administrator. The apparent owner is the person whose name appears on the records of a holder as the owner of property held, issued, or owing by the holder. The holder is the person obligated to hold for the account of, or to deliver or pay to, the owner property that is subject to the RUUPA. If the property is “abandoned” under the Act, then the holder must report the property to the administrator, the state official responsible for administering the RUUPA.

Article 2 of the RUUPA establishes rules to determine if property is abandoned. Under the Act, property is presumed abandoned if it is unclaimed by its apparent owner after a specified period of time (the dormancy period). The length of the dormancy period depends on the type of property. RUUPA establishes dormancy periods for some types of property that were not covered in previous versions of the Act, including health savings accounts, custodial accounts for minors, stored-value cards, and more. Article 2 also includes rules for how and when the holder of the property must communicate with the apparent owner.

The RUUPA clarifies that property is not presumed abandoned if the apparent owner shows an interest in the property during the dormancy period designated in the Act. Some of the ways in which an apparent owner may show interest are by a record communicated by the apparent owner to the holder about the property, payment of a premium on an insurance policy, or deposit or withdrawal from an account at a financial institution.

Article 3 of the RUUPA establishes three priority rules to determine which state may take custody of property that is presumed abandoned. The first-priority rule grants custody to the state of the last-known address of the apparent owner, according to the holder’s records. If there is no record of the address of the apparent owner, or the address is in a state that does not permit the custodial taking of the property, then the property is subject to custodial taking by the state of corporate domicile of the holder. The third-priority rule permits a state administrator to take custody of the property if (1) the transaction involving the property occurred in the state; (2) the holder is domiciled in a state that does not provide for the custodial taking of the property; 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.

Under Articles 4 and 5 of the RUUPA, the holder of property presumed abandoned must send a notice to the apparent owner identifying the property and must file a report with the

administrator identifying the property. Some of the changes the RUUPA makes to the notice requirements include:

- permitting the use of electronic notices;
- requiring the notice to identify the property and its value, state that the property may be sold by the administrator, provide details for how to prevent the property from being delivered to the state, and establishing a deadline for when action must be taken by the owner to prevent the delivery of property to the state; and
- providing that the holder is not required to include confidential information in the notice that can be used to verify the identity of the individual.

The RUUPA alters some of the filing requirements, also. For example, states may not require unclaimed property reports to be submitted in paper form. In addition, holders are authorized to contract with third parties to report unclaimed property to the state administrator, but the holder remains liable for the failure of the third party to submit a complete, accurate, and timely report and to deliver unclaimed property to the state.

Articles 6 and 7 describe how the administrator may take custody of unclaimed property and how it may sell it. Except for securities, the RUUPA allows the administrator to sell the property three years after receipt, but it is not required to do so. Securities may be sold three or more years after the administrator receives the security and gives the apparent owner notice under Section 503. The administrator is prohibited from selling military medals or decorations awarded for military service. Instead, the administrator may deliver them to military veterans' organizations or governmental entities.

Article 8 directs the administrator to deposit all funds received under the Act into the general fund of the state, including proceeds from the sale of property under Article 7. Article 8 also requires the administrator to maintain records of the property.

Article 9 addresses various scenarios in which the administrator of one state would need to pay or deliver unclaimed property to another state, either because there is a superior claim to the property by the other state or the property is subject to the right of another state to take custody. Section 903 discusses claims for the property by a person claiming to be the property owner. If the property has a value less than \$250, then the administrator may waive the requirement to file a claim if the person receiving the property or payment is the same person as the apparent owner, as included in the holder's report, and the administrator reasonably believes the person is entitled to receive the property or payment.

Article 10 explains how an administrator may request property reports and how an administrator may examine records to determine if a person has complied with the Act. The RUUPA requires every administrator to adopt rules governing procedures and standards for an examination. The rules must specify that an examination will be conducted in accordance with the rules and with generally accepted examination practices and standards. The RUUPA also clarifies which records are confidential and exempt from public disclosure under the Act.

The RUUPA's Article 11 gives holders the right to seek review of determinations made by the administrator concerning their liability to deliver property or payment to the state. Three options

are provided for states to choose from consisting of (1) an informal conference with the administrator; (2) an administrative appeals process; and (3) a direct appeal to state court.

If the administrator's determination becomes final and is not subject to administrative or judicial review, the administrator is permitted to commence an action in court to enforce the determination and secure payment or delivery of past due, unpaid, or undelivered property. Article 12 imposes a penalty on a holder that fails to report, pay, or deliver property within the time required by the Act. Civil penalties may also apply if the holder enters into a contract to evade an obligation under the Act.

Article 13 of the RUUPA governs the enforceability of an agreement between an apparent owner and a "finder" to locate and recover property. The Act requires a signed record between the parties to designate the finder as an agent of the owner. The agent is then entitled to receive from the administrator all information concerning the property which the apparent owner would be entitled to receive, including information that would otherwise be considered confidential under the Act.

Article 14 explains what information is considered confidential under the Act. The Article describes when confidential information may be disclosed under the Act, and the steps that an administrator must take in the event of a security breach. The Act also permits a person that will be examined for compliance under the RUUPA to require all those who will have access to the person's records to sign a confidentiality agreement.

The Revised Uniform Unclaimed Property Act makes a number of updates to earlier versions of the uniform act in order to keep up with technological changes and new forms of property, as well as to clear up contested issues raised by various unclaimed property constituencies. The RUUPA offers a comprehensive set of rules for unclaimed property and should be enacted in every state.

For more information about the RUUPA, please contact ULC Legislative Counsel Kaitlin Wolff at (312) 450-6615 or kwolff@uniformlaws.org.



**TESTIMONY OF JODI SMITH
COMMISSIONER
North Dakota Department of Trust Lands**

Senate Bill 2048

**House Judiciary Committee
March 3, 2021**

Chairman Klemin and members of the House Judiciary Committee, I am Jodi Smith, the Commissioner and Secretary for the Board of University and School Lands (Board). I am here to testify in support of Senate Bill 2048.

The Department of Trust Lands (Department) is the administrative arm of the Board, serving under the direction and authority of the Board. The Board is comprised of the Governor, Secretary of State, Attorney General, State Treasurer, and Superintendent of Public Instruction. The Department's primary responsibility is managing the Common Schools Trust Fund (CSTF) and 12 other permanent educational trust funds. The beneficiaries of the trust funds include local school districts, various colleges and universities, and other institutions in North Dakota. The Department manages five additional funds: the Strategic Investment and Improvements Fund, the Coal Development Trust Fund, the Capitol Building Fund, the Indian Cultural Education Trust, and the Theodore Roosevelt Presidential Library and Museum Endowment.

The Department also operates the Energy Infrastructure and Impact Office (EIIO), which provides financial support to political subdivisions that are affected by energy development. Assistance is provided through both the oil and gas impact grant program and the coal impact loan program. The EIIO also distributes energy and flood grants carried over from prior biennia.

Additionally, the Department administers the Uniform Unclaimed Property Act, N.D.C.C. ch. 47-30.1. In this role, the Department collects "unclaimed property" (uncashed checks, unused bank accounts, etc.), processes owners' claims and engages in holder compliance. This property is held in permanent trust for owners to claim, with the revenue from the investment of the property benefiting the CSTF.

In order to understand the significant role the Unclaimed Property Division (Division) plays within the Department, it is important to define the meaning of "unclaimed property," the processes involved, and its history across the nation and in North Dakota. In this context, the term "property" includes tangible assets, such as the contents of a safe deposit box, and intangible assets, such as uncashed checks and abandoned bank accounts. When these assets have been inactive for

a statutory dormancy period they become “unclaimed property” and are subject to unclaimed property law.

There are essentially two components of the Division: collections and claims. Each component plays a distinctly different, but equally critical, role in the Division.

The collection component addresses holder compliance and education, including the collection, documentation, and holder’s transfer of assets to the Division. N.D.C.C. § 47-30.1-01(7) defines a holder as “a person, wherever organized or domiciled, who is: a. In possession of property belonging to another; b. A trustee; or c. Indebted to another on an obligation.” Annually, any business or entity conducting business in the state of North Dakota is statutorily mandated to review its financial records to verify it is not holding any assets that are unclaimed. If the business or entity discovers that it is in possession of such an asset, it is required to attempt to locate the rightful owner using the best information available to it as the holder. After the expiration of statutory dormancy period and unsuccessful attempts to reunite the owner with the property, the holder must transfer the asset and all the identifying information to the Division as part of its “holder report”. Once the State has assumed custody of the asset, it is held in perpetuity by the Department, and the Division proceeds to attempt to reunite the unclaimed asset with its rightful owner or heir.

The claims component addresses the reuniting of inactive, lost, misplaced, or unclaimed assets with the rightful owner or heir. “Owner” is defined as “a depositor in the case of a deposit, a beneficiary in case of a trust other than a deposit in trust, a creditor, claimant, or payee in the case of other intangible property, or a person having a legal or equitable interest in property subject to this chapter or that person’s legal representative.” N.D.C.C. § 47-30.1-01(12). Owners are required to submit documentation to the Division to establish ownership of the asset and verify the identity of the person filing the claim (the claimant).

In January 1975, Senate Bill 2079 was introduced relating to defining abandoned personal property, providing methods for the same to be taken into custody of the State; for its recovery by the rightful owner; for an administrator; for a penalty; and repeal of certain sections relating to unclaimed funds. The original bill proposed unclaimed property be administered by the Attorney General’s Office with the revenue generated benefiting the general fund. During committee deliberation in February 1975, it was determined there would be a division in the “state land commissioner’s office” known as the abandoned property office and the “state land commissioner” shall employ the “administrator” of the new unclaimed property office with the revenue from the interest earned benefiting the CSTF. The Forty-fourth Legislative Assembly passed Senate Bill 2079, creating North Dakota’s Unclaimed Property Division within the “state land commissioner’s office”.

Since 1975, the Division’s primary focus has been to reunite unclaimed property with its rightful owner. Due to the nature of unclaimed property, much of the property is reported to the Division because of a breakdown in communication between the holder and the owner, incomplete owner information, or inaccurate information, such as invalid mailing addresses. It is estimated that 1 in 7 North Dakotans have unclaimed property. There has been a steady increase in the amount of funds and reports received from holders, claims paid, and amount of funds returned to owners. The 2017-2019 biennium saw a total of 8,807 properties paid, resulting in \$7,355,430.95 returned to owners. Abandoned property reported to the Department totaled \$27,239,906.13 from the receipting of 5,365 holder reports and 67 safe boxes.

In 1954, the Uniform Law Commission developed the first Uniform Unclaimed Property Act in the United States, motivated by the importance of reuniting property with its rightful owner. Since its inception in 1954, the Act has been amended in 1966, 1981, 1995, and 2016, and adopted in some variation in all 50 states, Washington D.C., Puerto Rico, and three Canadian provinces. Every state has unclaimed property laws, which apply to all businesses, nonprofit organizations, government entities, and individuals who hold property owned by other persons or have fixed obligations to pay debts due to other persons.

In 1985, the Forty-ninth Legislative Assembly passed Senate Bill 2178 adopting the 1981 Uniform Unclaimed Property Act (1981 Act) with revisions. Since this time, the Division has complied with the 1981 Act. Although there have been revisions and additions to N.D.C.C. ch. 47-30.1, there has not been a complete overhaul of the chapter since 1985.

The Department is recommending the adoption of the 2016 Revised Uniform Unclaimed Property Act (RUUPA), which would result in the repeal of N.D.C.C. ch. 47-30.1 and the enactment of a new unclaimed property chapter at N.D.C.C. ch. 47-30.2. When reviewing the proposed legislation, you will note that the related sections of RUUPA are listed in parentheses after the new sections of N.D.C.C. ch. 47-30.2. RUUPA provides necessary updates to the 1981 Act that keep with technological innovation and recognize new forms of property not included in the 1981 Act. RUUPA is the result of more than three years of study and drafting. The drafting committee considered thousands of pages of comments from more than 100 interested parties during the drafting process. RUUPA contains beneficial changes for consumers, states, and holders. Additionally, the Department worked with the Uniform Law Commission, the North Dakota Statutory Committee, and other partnering agencies who will be directly impacted by the implementation of RUUPA.

Since 2016, five states have implemented RUUPA with revisions. Additionally, there are four states that currently have RUUPA introduced for adoption. The Department has consulted with several states to best understand lessons learned and modify RUUPA accordingly. The Department has also been working with the Uniform Law Commission to ensure the proposed modifications do not deviate from the intentions set forth through the drafting of RUUPA by the Uniform Law Commission. Attached is a table outlining the modifications the Department has made from the original RUUPA and the justification for the modification.

Some of the benefits of RUUPA are:

- RUUPA clarifies which types of intangible property are covered. The following types of intangible property are now specifically included: virtual currency, payroll cards, stored-value cards, municipal bonds, health savings accounts, commissions, employee reimbursements, and custodial accounts for minors.
- RUUPA provides specific dormancy periods and establishes dormancy periods for many types of property for the first time. For example, a three-year dormancy period was established for health savings accounts, custodial accounts for minors, and stored-owned value cards.
- RUUPA expands remedies for holders. If an administrator conducts an examination and determines that a holder is liable for unreported property, then the holder has several remedies under RUUPA. RUUPA provides for informal conferences between a holder and

the administrator. It also provides that a person in this state aggrieved by an audit that in any form requests payment of money or a civil penalty is entitled to a hearing before the board upon request. These provisions do not exist in the 1981 Act.

- RUUPA prioritizes information security. RUUPA establishes clear rules for the protection of confidential information and includes security-breach notification and response requirements.

N.D.C.C. §§ 47-30.2-04 through 47-30.2-14, as proposed, establish rules to determine if property is abandoned. Property is presumed abandoned if it is unclaimed by its apparent owner after a specified period of time (the dormancy period). The length of the dormancy period depends on the type of property. RUUPA establishes dormancy periods for some types of property that were not covered in previous versions of the Uniform Unclaimed Property Act, including health savings accounts, custodial accounts for minors, stored-value cards, and more. These sections also include rules for how and when the holder of the property must communicate with the apparent owner. RUUPA clarifies that property is not presumed abandoned if the apparent owner shows an interest in the property during the designated dormancy period. Some of the ways in which an apparent owner may show interest are by a record communicated by the apparent owner to the holder about the property, payment of a premium on an insurance policy, or deposit or withdrawal from an account at a financial institution.

N.D.C.C. §§ 47-30.2-15 through 47-30.2-20, as proposed, establish three priority rules to determine which state may take custody of property that is presumed abandoned. The first-priority rule grants custody to the state of the last-known address of the apparent owner, according to the holder's records. If there is no record of the address of the apparent owner, or the address is in a state that does not permit the custodial taking of the property, then the property is subject to custodial taking by the state of corporate domicile of the holder. The third-priority rule permits a state administrator to take custody of the property if (1) the transaction involving the property occurred in the state; (2) the holder is domiciled in a state that does not provide for the custodial taking of the property; 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.

Under N.D.C.C. §§ 47-30.2-21 through 47-30.2-29, as proposed, the holder of property presumed abandoned must send a notice to the apparent owner identifying the property and must file a report with the administrator identifying the property. Some of the changes RUUPA makes to the notice requirements include:

- Permitting the use of electronic notices;
- Requiring the notice to identify the property and its value, state that the property may be sold by the administrator, provide details for how to prevent the property from being delivered to the state, and establishing a deadline for when action must be taken by the owner to prevent the delivery of property to the state; and
- Providing that the holder is not required to include confidential information in the notice that can be used to verify the identity of the individual. See N.D.C.C. § 47-30.2-71, as proposed.

RUUPA also alters some of the filing requirements. For example, states may not require unclaimed property reports to be submitted in paper form. In addition, holders are authorized to

contract with third parties to report unclaimed property to the state administrator, but the holder remains liable for the failure of the third party to submit a complete, accurate, and timely report and to deliver unclaimed property to the state.

N.D.C.C. §§ 47-30.2-30 through 47-30.2-39, as proposed, describe how the administrator may take custody of unclaimed property and how it may sell it. Except for securities, RUUPA allows the administrator to sell the property three years after receipt, but it is not required to do so. Securities may be sold three or more years after the administrator receives the security and gives the apparent owner notice under proposed N.D.C.C. § 47-30.2-28. The administrator is prohibited from selling military medals or decorations awarded for military service. Instead, the administrator may deliver them to the state historical society of North Dakota or the agency that awarded the medal or decoration.

N.D.C.C. §§ 47-30.2-44 through 47-30.2-47, as proposed, direct the administrator to deposit all funds received under the Act into the CSTF, including proceeds from the sale of property as mentioned above. These sections also require the administrator to maintain records of the property.

N.D.C.C. §§ 47-30.2-48 through 47-30.2-53, as proposed, address various scenarios in which the administrator of one state would need to pay or deliver unclaimed property to another state, either because there is a superior claim to the property by the other state or the property is subject to the right of another state to take custody. Proposed N.D.C.C. § 47-30.2-50 discusses claims for the property by a person claiming to be the property owner and provides the administrator may waive the requirement to file a claim in certain circumstances.

N.D.C.C. §§ 47-30.2-54 through 47-30.2-62, as proposed, explain how an administrator may request property reports and how an administrator may examine records to determine if a person has complied with the Unclaimed Property Act. RUUPA requires every administrator to adopt rules governing procedures and standards for an examination.

N.D.C.C. §§ 47-30.2-65 through 47-30.2-66, as proposed, discuss the penalties if a holder fails to report, pay, or deliver property within the time required and if the holder enters into a contract to evade an obligation under RUUPA.

N.D.C.C. §§ 47-30.2-68 through 47-30.2-70, as proposed, govern the enforceability of an agreement between an apparent owner and a "finder" to locate and recover property. A signed record between the parties to designate the finder as an agent of the owner is required. The agent is then entitled to receive from the administrator all information concerning the property which the apparent owner would be entitled to receive, including information that would otherwise be considered confidential.

N.D.C.C. §§ 47-30.2-71 through 47-30.2-73, as proposed, address that no confidential information is required to be contained in the notice of a holder and provides requirements for security of information and steps that an administrator must take in the event of a security breach.

In April 2019, the Division implemented a new information technology system and simultaneously went live with a new website. The Division can now "fast track" eligible claims. This adds efficiency to the Division and returns funds to owners in a shorter time. Additionally, in January 2019 the Division implemented Administrative Rules. With the successful implementation of

Administrative Rules and a new information technology solution, the Division has seen significant increase in the ability to return funds to owners. The next step in creating greater opportunities to return funds to owners is updating the Uniform Unclaimed Property Act.

I look forward to working with the committee on these issues and will answer any questions.

**COMPARISON OF
2016 REVISED UNIFORM UNCLAIMED PROPERTY ACT (RUUPA)
AND PROPOSED N.D.C.C. CHAPTER 47-30.2**

RUUPA Section	Topic	Justification for Modification
Throughout	Use of the word Act	Revised to refer to this chapter at recommendation of Legislative Council
Throughout		Changed language to better reflect language used in North Dakota law or to add clarification without changing the meaning
Throughout		The new chapter of the Century Code will be 47-30.2. The section number of RUUPA was deleted and each section was given its own century code section number with the RUUPA section in parens. For example, 47-30.2-01(102). These internal references will be in the new code.
101	Short Title	Removed as not needed
102	Definitions	<ul style="list-style-type: none"> - Throughout definitions, removed references to federal laws so that we would have stand-alone laws that would not have to be changed each time federal law is changed. In some instances, we inserted the text of the federal law rather than the reference - "Administrator" revised to retain current definition and clarify authority given under this chapter - Added "board" as the Unclaimed Property Division (UP Division) serves under the direction and authority of the Board of University and School Lands and to clarify authority given under this chapter - Added "cashier's check" as it was not addressed - Added "commissioner" to be defined as the Commissioner of University and School Lands and to clarify authority given under this chapter - "Confidential information" revised to "confidential record" to align with North Dakota open records statutes - Added "department" as the Unclaimed Property Division is a division of the Department of Trust lands (DTL) - "Financial organization" was revised to better align with how North Dakota law is worded - "Gift card" revised to differentiate from stored value cards - "Insurance company" revised to reference North Dakota statute - Maintained the current "mineral proceeds" definition - "Payroll card" was revised to differentiate between payroll card, stored value cards, and property types - "Property" revised to include in-store credit and mineral proceeds - "Record" - revised to align with current open records statutes

**COMPARISON OF
2016 REVISED UNIFORM UNCLAIMED PROPERTY ACT (RUUPA)
AND PROPOSED N.D.C.C. CHAPTER 47-30.2**

RUUPA Section	Topic	Justification for Modification
		- "Security" - revised to cite to North Dakota statutes rather than federal - "Stored value card" revised to differentiate from payroll cards, gift cards, and other property types
201	Abandonment	Various abandonment periods were changed to reflect abandonment periods provided in current North Dakota law
202	Tax Deferred Retirement Account Abandonment	Changed to reference North Dakota rather than federal law; modified regarding email communication; included tax-exempt
203	When Other Tax Deferred or Tax Exempt Account Presumed Abandoned	Included tax-exempt
204	Custodial Account for Minors	Revised to reflect current North Dakota statute and provide more clarity
205	Safe boxes	Revised to reflect current law
207	Gift card	Removed as gift card is excluded from the definition of property
210	Indication of Apparent owner Interest in Property	Revised to clarify owner-generated activity is required
211	Knowledge of Death of Insured or Annuitant	Revised to align with North Dakota law
307	Burden of Proof to Establish Administrator's Right to Custody	Removed as not addressed in current law
401	Report Required by Holder	Removed requirement for paper report as UP Division requires electronic reporting under Administrative Rules; a holder may file a negative report
402	Content of Report	Revised as UP Division requires electronic reporting under Administrative Rules; revised the dollar amount from \$50 to \$25 as recommended by the North Dakota Auditor's Office
403	When Report to be Filed	Revised for clarification
501	Notice to Apparent Owner by holder	Revised to reflect current law; revised the dollar amount from \$50 to \$25 as recommended by the North Dakota Auditor's Office and to align with lowered aggregate amount
503	Notice by administrator	Revised the dollar amount from \$50 to \$25 as recommended by the North Dakota Auditor's Office and to align with lowered aggregate amount; incorporated reference to publication in biennial report as already provided in the biennial report and to maintain consistency throughout DTL; provided more information as to the website to provide the owners more opportunity to recover their property

**COMPARISON OF
2016 REVISED UNIFORM UNCLAIMED PROPERTY ACT (RUUPA)
AND PROPOSED N.D.C.C. CHAPTER 47-30.2**

RUUPA Section	Topic	Justification for Modification
602	Dormancy charge	Dormancy charge for all property types combined and moved to this section 602; revised wording to clarify
603	Payment or Delivery of Property to Administrator	Revised to reflect that tangible property is due at the time of the holder report
604	Effect of Payment or Delivery of Property to administrator	Revised to add more clarity as to values for indemnification and liability purposes
605	Recovery of Property by Holder from Administrator	Revised as North Dakota is not an interest-bearing state for purposes of unclaimed property claims; revised as UP Division is not subject to the adjudicative process under N.D.C.C. ch. 28-32
607	Crediting Income or Gain to Owner's Account	Revised as North Dakota is not an interest-bearing state for purposes of unclaimed property claims
701	Public Sale of Property	Removed publication requirements of a public sale to gain wider exposure by advertising on the website
702	Disposal of Securities	Revised as unduly burdensome as worded and has a negative impact on the trusts
703	Recovery of Securities or Value by Owner	Removed because unduly burdensome as worded and has a negative impact on the trusts
705	Military Medal or Decoration.	Revised to remove the federal reference and to keep the property in the state
801	Deposit of Funds by Administrator	Revised to comply with requirements of North Dakota law and clarify authority given under this chapter; addressed comments made by the drafters of RUUPA
803	Expenses and service charges of administrator.	Removed the RUUPA language and instead incorporated language regarding Deposit of Funds – Continuing Appropriation to comply with requirements of current North Dakota law and clarify authority given under this chapter
903	Claim for Property by Person Claiming to be Owner	Revised to enhance efficiency of fast tracking through UP Division's computer system; considered comments made by the drafters of RUUPA
904	When Administrator Must Honor Claim for property	Revised to allow for future payment of the claim
905	Allowance of Claim for Property	Revised to require agencies to submit a claim, rather than the administrator seeking out the agencies
906	Action by person whose Claim is Denied	Revised to reflect the notice requirement of N.D.C.C. § 32-12.2-04 and considered the comments made by the drafters of RUUPA regarding public policy of the State
1003	Rules for Conducting Examination	Revised to allow for estimation

**COMPARISON OF
2016 REVISED UNIFORM UNCLAIMED PROPERTY ACT (RUUPA)
AND PROPOSED N.D.C.C. CHAPTER 47-30.2**

RUUPA Section	Topic	Justification for Modification
1004	Records Obtained in Examination	Revised to reflect other similar law guiding the Department (particularly N.D.C.C. § 44-04-18.29) and to reflect current North Dakota open records law
1007	Report to Person whose records were Examined	Revised to add clarification
1008	Complaint to Administrator about Conduct of Person Conducting examination	Revised to add clarification
1009	Administrator's Contract with Another to Conduct Examination	Removed as covered by procurement law
1010	Limit on Future Employment	Removed as cannot enforce in North Dakota
1011	Report to Administrator by State Official	Removed as state law requires a biennial report which is addressed in 47-30.2-28(3)(a)
Article 11	Determination of Liability; Putative Holder Remedies	Removed and 47-30.2-75 added to reflect current law (47-30.1-32) as it relates to holder appeals
1201	Judicial Action to Enforce Liability	Removed as the UP Division is not subject to the adjudicative process under N.D.C.C. ch. 28-32 and 47-30.2-75 added to incorporate current law (47-30.1-32) as it relates to appeals
1203	Action Involving Another State or Foreign Country	Revised to not handle lawsuits on behalf of other states; revised in accordance with North Dakota law – continuing appropriations
1204	Interest and Penalty for Failure to Act in Timely manner	Revised to align for consistency across DTL divisions
1206	Waiver of Interest and penalty	Removed and 47-30.2-67 added to align for consistency across DTL divisions
1301	When Agreement to Locate Property Enforceable	Revised to reflect current law and better protect the property of our citizens
1302	When Agreement to Locate Property Void	Revised to reflect current law and better protect the property of our citizens
1303	Right of Agent of Apparent owner to Recover Property held by Administrator	Revised as the right is granted through other legal avenues (Power of Attorney)
1401-1407	Confidentiality and Security of Information	Removed 1401, 1402, 1403, and 1404 as these are adequately covered under N.D.C.C. ch. 44-04. Revised 1405, 1406, and 1407 based on current North Dakota open records law

**COMPARISON OF
2016 REVISED UNIFORM UNCLAIMED PROPERTY ACT (RUUPA)
AND PROPOSED N.D.C.C. CHAPTER 47-30.2**

RUUPA Section	Topic	Justification for Modification
1408	Indemnification for Breach	Removed based on consultation with Risk Management Division and the comments section of the RUUPA
1501	Uniformity of Application and construction	Removed as not needed
1502	Relation to Electronic Signatures in Global and National Commerce Act	Removed as not needed
1503	Transitional Provision	Revised to incorporate language in current law (47-30.1-37)
1504	Severability	Removed as there is a general reference to this in the North Dakota Century Code
1505	Repeals; Conforming Amendments	Removed as not needed
1506	Effects of new Provisions – clarification of Application.	Removed as not needed

TESTIMONY OF THE AMERICAN COUNCIL OF LIFE INSURERS

Before The
House Judiciary Committee

March 3, 2021

Senate Bill 2048 – An Act Relating to the Uniform Unclaimed Property Law

Chairman Klemin and members of the House Judiciary Committee, the American Council of Life Insurers (ACLI) appreciates the opportunity to offer the following statement on Senate Bill 2048, which would update North Dakota law to incorporate, in substantial part, the most recent version of the Uniform Law Commission's Revised Uniform Unclaimed Property Act (RUUPA).

ACLI members are the leading writers of life insurance, annuities, disability income insurance, long-term care insurance and supplemental benefit insurance here in North Dakota and across the country. Life insurers are also among the many holders of unclaimed property that would be governed and impacted by this legislation.

Our Position

ACLI secured amendments to Senate Bill 2048 in the Senate Industry, Business and Labor Committee to make it consistent and compatible with existing North Dakota insurance law governing unclaimed life insurance benefits in Chapter 26.1-55. Our amendments were supported by the sponsor of the legislation, Senator Hogue, and Insurance Commissioner Godfreed. As amended, ACLI supports the Senate-passed version of Senate Bill 2048.

Background

Originally promulgated by the Uniform Law Commission in 1954, the Uniform Unclaimed Property Act is a comprehensive law governing property that is presumed abandoned or unclaimed and must be remitted to the state. The state unclaimed property administrator acts essentially as a custodian of the property until the rightful owner or, in the case of a life insurance policy, a beneficiary claims it after the policyowner is presumed dead. Various versions of this Uniform Law had been enacted in North Dakota over the years.

Meanwhile, the North Dakota legislature enacted a law in 2013 governing the use by life insurers of the U.S. Social Security Administration's death master file (DMF) for identifying owners of life insurance, annuities or retained asset accounts who may have died (Chapter 26.1-55). Among other things, this law requires life insurers to periodically check its policyholder records against the DMF to determine any potential matches. For each potential match, an insurer is required to complete a good faith effort to confirm the death, determine if benefits are owed the insured or the insured's beneficiaries and assist them with filing claims for the benefits.

If the insurer is unsuccessful in contacting the insured or the insured's known beneficiaries, the property is presumed abandoned and reported to the state pursuant to the state's unclaimed property law in Chapter 47. This legislation was based on a Model Law adopted by the National Conference of Insurance Legislators (NCOIL), which ACLI supports. We appreciate the leadership of Senator Klein and Representative Keiser as they worked to fashion a Model Law at NCOIL that has become widely adopted by the states, including North Dakota.

Three years later, the Uniform Law Commission completed a multi-year effort in 2016 to update its Uniform Unclaimed Property Act. ACLI actively participated in this effort and worked with the Uniform Law Commissioners to make the Revised Act compatible with the NCOIL Unclaimed Life Insurance Benefits Model Act, given the interplay between the operative provisions of both uniform laws regarding life insurer unclaimed property practices. To date, RUUPA has been enacted in some form in five states (Colorado, Kentucky, Tennessee, Utah and Vermont).

We appreciate the efforts by the drafters of Senate Bill 2048 to conform to the letter and spirit of the Uniform Law Commission's RUUPA in most substantive respects. The amendments we sought in the Senate were designed to make the bill consistent with the insurance code and, in the case of Section 2, remove redundant and unnecessary DMF search requirements by the unclaimed property administrator.

DMF Searches and Matches

As introduced, the bill would have authorized the state unclaimed property administrator or its agents to conduct its own DMF searches for the purpose of finding matches. Given the DMF search duties already required of insurers under the insurance code, under the watchful eye of the insurance commissioner, ACLI believes this duplicative requirement was neither necessary nor appropriate.

If the state unclaimed property administrator has reason to believe an insurer is not appropriately conducting DMF searches or escheating unclaimed property to the state, the administrator can always request the insurance commissioner to compel the insurer to explain, justify or correct its DMF search and unclaimed property reporting practices. The North Dakota Insurance Department is one of the lead regulatory agencies overseeing life insurer unclaimed property practices on a national basis, so it already possesses considerable expertise and oversight capabilities.

Since the insurance code was amended in 2013, DMF matches have reduced to *de minimis* numbers as life insurers continue to check their policyholder records on a semi-annual basis. One of top writers of individual life insurance in North Dakota reported a total of 6 unclaimed property claims initiated in 2020 as a result of a DMF match.

One final point worth noting is that the National Association of Insurance Commissioners (NAIC) has developed, with ACLI's support, a Lost Policy Locator, a national system that assists consumers in locating life insurance policies and annuity contracts of a deceased family member or close relationship. When a consumer request is submitted, the NAIC will request life insurers to search their records to determine if a policy in the name of the deceased exists and if so, assist the beneficiary in filing a claim for benefits.

For these reasons, the Senate saw fit not to subject life insurers to duplicative regulatory jurisdiction when existing law and oversight by the insurance department protects the interests of life insurance consumers in the Peace Garden State.

Chairman Klemin and members of the Committee, I appreciate the opportunity you have given us to provide our comments on Senate Bill 2048 and stand ready to answer any questions you may have.

Respectfully submitted,

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PROPOSED AMENDMENT TO SENATE BILL NO. 2048

by the American Council of Life Insurers

Page 3, line 18 overstrike “Within twelve months following a potential match identified as a result of a death”

Page 3, line 19 overstrike “master file or revised death master file match” and before the comma insert “Upon the expiration of the time period provided in 47-30.2-04(9)”

TO READ:

8. *Upon the expiration of the time period provided in 47-30.2-04(9), 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 applicable accrued interest, to the state abandoned property office under chapter 47-30.2.*

Page 15, line 30 replace “one year” with “three years”

Page 16, line 3 replace “one” with “three”

Page 16, line 4 replace “year” with “years”

Page 16, line 8 replace “one year” with “three years”

Renumber accordingly

TESTIMONY OF THE AMERICAN COUNCIL OF LIFE INSURERS

Before The
House Judiciary Committee

March 17, 2021

Senate Bill 2048 – An Act Relating to the Uniform Unclaimed Property Law

Chairman Klemin and members of the House Judiciary Committee, the American Council of Life Insurers (ACLI) appreciates the opportunity to offer the following comments on Senate Bill 2048, which would update North Dakota law to incorporate, in substantial part, the most recent version of the Uniform Law Commission's Revised Uniform Unclaimed Property Act (RUUPA).

ACLI members are the leading writers of life insurance, annuities, disability income insurance, long-term care insurance and supplemental benefit insurance here in North Dakota and across the country. Life insurers are also among the many holders of unclaimed property that would be governed and impacted by this legislation.

Under existing North Dakota law, both the unclaimed property code (Chapter 47) and the insurance code (Chapter 26.1) contain provisions governing the treatment of unclaimed life insurance benefits. When Senate Bill 2048 was introduced, ACLI worked with the Senate sponsor, Senator Hogue, Land Commissioner Smith and Insurance Commissioner Godfread to resolve inconsistencies and incongruities between the two codes. Amendments were agreed to in the Senate, and ACLI supported the Senate-passed version when it came before this Committee on March 3rd.

Mr. Chairman, following this Committee's approval of Senate Bill 2048, and due to an oversight on my part, we identified another inconsistency we respectfully ask that this Committee consider. The amendments we propose bring North Dakota's unclaimed property law and insurance code further in line with the respective uniform model laws on which they are based.

For the Committee's convenience, below please find the additional amendments we propose along with their rationale. We plan to be available at the hearing to answer any questions the Committee may have.

Once again, we appreciate your consideration of our views and sincerely apologize for not having brought these issues to the Committee's attention at its March 3rd public hearing.

PROPOSED AMENDMENT TO SENATE BILL NO. 2048 *by the American Council of Life Insurers*

Amendment to Insurance Code to Recognize Dormancy Period in Unclaimed Property Code

Page 3, line 18 overstrike "Within twelve months following a potential match identified as a result of a death"

Page 3, line 19 overstrike "master file or revised death master file match" and before the comma insert "Upon the expiration of the time period provided in 47-30.2-04(9)"

TO READ:

8. Upon the expiration of the time period provided in 47-30.2-04(9), 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 applicable accrued interest, to the state abandoned property office under chapter 47-30.2.*

Rationale

This amendment brings the North Dakota insurance code in line with the NCOIL Model law on which it is based. The NCOIL Model (Section 4D) was not intended to establish or revise the dormancy period that must expire before unclaimed life insurance benefits are escheated to the state. Rather, the NCOIL Model simply cross references the dormancy time period for life insurance unclaimed property in the unclaimed property statute. Our proposed amendment harmonizes those time periods.

Amendment to Unclaimed Property Law Revising Dormancy Period from One Year to Three Years

Page 15, line 30 replace “one year” with “three years”

Page 16, line 3 replace “one” with “three”

Page 16, line 4 replace “year” with “years”

Page 16, line 8 replace “one year” with “three years”

Renumber accordingly

Rationale:

The Revised Uniform Unclaimed Property Act, upon which Senate Bill 2048 is based, establishes a three-year dormancy period before unclaimed life insurance benefits are escheated to the state (Section 201 (7)). According to the National Association of Unclaimed Property Administrators (NAUPA), 42 states plus DC have at least a 3-year dormancy period for life insurance; 6 states have a 2-year dormancy period and 2 states plus PR have something that is unique/complicated. Thus, keeping the dormancy period at three years, as recommended in our amendment, is in line with the prevailing standard across the nation and as recognized by RUUPA.

A three-year dormancy period is an appropriate time period for beneficiaries to file a claim as they deal with the emotional loss of a loved one and settle what in many instances can be a complicated estate of the deceased. Meanwhile, the insurer acts as custodian of the unclaimed benefits, which typically earn applicable accrued interest during the pendency of the claim before escheating the benefits to the state.

Chairman Klemin and members of the Committee, I appreciate the second opportunity you have given us to provide our comments on Senate Bill 2048 and stand ready to answer any questions you may have.

Respectfully submitted,

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2021 CONFERENCE COMMITTEE

SB 2048

2021 SENATE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Fort Union Room, State Capitol

SB 2048
4/9/2021
Conference Committee

relating to the uniform unclaimed property act; to provide for a report; to provide a penalty; and to provide a continuing appropriation
--

Senator Klein opened the meeting at 11:00 a.m. Members present. Senators Klein, Larsen, and Marcellais. Representatives Klemin and Hanson. Representative Christensen was absent.

Discussion Topics:

- Wording in bill

Senator Larsen moved the Senate accede to House amendment 21.0167.04001 [11:20].
Senator Marcellais seconded the motion [11:20].

Senators	Vote
Senator Jerry Klein	Y
Senator Doug Larsen	Y
Senator Richard Marcellais	Y
Representative Lawrence Klemin	Y
Representative Cole Christensen	Absent
Representative Karla Hanson	Y

Motion passed: 5-0-1

Senator Klein will carry the bill in the Senate [11:20].

Representative Hanson will carry the bill in the House [11:20].

Senator Klein closed the meeting at 11:21 a.m.

Isabella Grotberg, Committee Clerk

**2021 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2048 as engrossed

Senate "Enter committee name" Committee

- Action Taken ☒ **SENATE accede to House Amendments**
☐ **SENATE accede to House Amendments and further amend**
☐ **HOUSE recede from House amendments**
☐ **HOUSE recede from House amendments and amend as follows**
- ☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Senator D. Larsen Seconded by: Senator Marcellais

Senators				Yes	No		Representatives			Abs.	Yes	No
Klein				x			Hagert				x	
D. Larsen				x			Christensen			x		
Marcellais				x			Hnason				x	
Total Senate Vote							Total Rep. Vote					

Vote Count Yes: 5 No: 0 Absent: 1

Senate Carrier Klein House Carrier Hanson .

LC Number _____ of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

REPORT OF CONFERENCE COMMITTEE

SB 2048, as engrossed: Your conference committee (Sens. Klein, D. Larsen, Marcellais and Reps. Klemin, Hanson, Christensen) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 997 and place SB 2048 on the Seventh order.

Engrossed SB 2048 was placed on the Seventh order of business on the calendar.