

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2005**

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**HOUSE BILL 672\***  
**Committee Substitute Favorable 5/4/05**

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Short Title: Reduce Holding Period for Unclaimed Property.-AB (Public)

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Sponsors:

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Referred to:

March 17, 2005

1                   **A BILL TO BE ENTITLED**

2   AN ACT TO REDUCE THE HOLDING PERIOD FOR CERTAIN UNCLAIMED  
3   PROPERTY HELD AS STOCK OR OTHER EQUITY INTERESTS IN A  
4   BUSINESS ASSOCIATION, INCLUDING CASH DISTRIBUTIONS OF A  
5   DEMUTUALIZED INSURANCE COMPANY.

6   The General Assembly of North Carolina enacts:

7                   **SECTION 1.** G.S. 116B-53(c) reads as rewritten:

8       "(c) Property is presumed abandoned if it is unclaimed by the apparent owner  
9   during the time set forth below for the particular property:

10      (1) Traveler's check, 15 years after issuance; issuance.

11      (2) Time deposit, including a deposit that is automatically renewable, 10  
12       years after the later of initial maturity or the date of the last indication  
13       by the owner of interest in the property; property.

14      (3) Money order, cashier's check, teller's check, and certified check, seven  
15       years after issuance; issuance.

16      (4) Stock or other equity interest in a business association, including a  
17       security entitlement under Article 8 of the Uniform Commercial Code,  
18       Chapter 25 of the General Statutes, five three years after the earlier of:

19       a. The date of a cash dividend or other cash distribution unclaimed  
20       by the apparent owner, or

21       b. The date a second consecutive mailing, notification, or  
22       communication from the holder to the apparent owner is  
23       returned to the holder as unclaimed by or undeliverable to the  
24       apparent owner;

25       c. The date the holder discontinued mailings, notifications, or  
26       communications to the apparent owner.

27       For purposes of distributions of a demutualized insurance company  
28       under this subdivision, the date of demutualization or reorganization  
29       shall be the date of the order of demutualization or reorganization that

1           is rendered by the Department of Insurance and from which no further  
2           appeal can be taken or for which the time for noting an appeal has  
3           expired. Property, subject to the requirements of this subdivision, shall  
4           include only the property described in the order of demutualization or  
5           reorganization that is rendered by the Department of Insurance and  
6           from which no further appeal can be taken or for which the time for  
7           noting an appeal has expired.

8           This subdivision applies to both the underlying stock, share, or  
9           other intangible ownership interest of an owner, and any stock, share,  
10          or other intangible interest of which the business association is in  
11          possession of the certificate or other evidence or indicia of ownership,  
12          and to the stock, share, or other ownership interest of dividend and  
13          nondividend paying business associations whether or not the interest is  
14          represented by a certificate.

- 15         (5) Debt of a business association, other than a including debt evidenced  
16          by a matured or called bearer bond or an original issue discount bond,  
17          five three years after the date of an interest or principal payment  
18          unclaimed by the apparent owner; owner.
- 19         (5a) Any dividend, profit, distribution, interest, redemption, payment on  
20          principal, cash compensation (including amounts from a demutualized  
21          insurance company), or other sum held or owing by a business  
22          association for or to its shareholder, certificate holder, policy holder,  
23          member, bondholder, or other security holder, who has not claimed it,  
24          or corresponded in writing with the business association concerning it,  
25          within three years after the date prescribed for payment or delivery.
- 26         (6) Demand or savings deposit, five years after the date of the last  
27          indication by the owner of interest in the property; property.
- 28         (7) Money or credits owed to a customer as a result of a retail business  
29          transaction, three years after the obligation accrued; accrued.
- 30         (8) Any gift certificate or electronic gift card bearing an expiration date  
31          and remaining unredeemed or dormant for more than three years after  
32          the gift certificate or electronic gift card was sold is deemed  
33          abandoned. The amount abandoned is deemed to be sixty percent  
34          (60%) of the unredeemed portion of the face value of the gift  
35          certificate or the electronic gift card; card.
- 36         (9) Amount owed by an insurer on a life or endowment insurance policy  
37          or an annuity that has matured or terminated, three years after the  
38          obligation to pay arose or, in the case of a policy or annuity payable  
39          upon proof of death, three years after the insured has attained, or  
40          would have attained if living, the limiting age under the mortality table  
41          on which the reserve is based; based.
- 42         (10) Property distributable by a business association in a course of  
43          dissolution, one year after the property becomes distributable;  
44          distributable.

- 1                   (11) Property received by a court as proceeds of a class action, and not  
2                   distributed pursuant to the judgment, one year after the distribution  
3                   date; date.  
4                   (12) Property held by a court, government, governmental subdivision,  
5                   agency, or instrumentality, one year after the property becomes  
6                   distributable; distributable.  
7                   (13) Wages or other compensation for personal services, two years after the  
8                   compensation becomes payable; payable.  
9                   (14) Deposit or refund owed to a subscriber by a utility, one year after the  
10                  deposit or refund becomes payable; payable.  
11                  (15) Property in an individual retirement account, defined benefit plan, or  
12                  other account or plan that is qualified for tax deferral under the income  
13                  tax laws of the United States, three years after the earliest of the date  
14                  of the distribution or attempted distribution of the property, the date of  
15                  the required distribution as stated in the plan or trust agreement  
16                  governing the plan, or the date, if determinable by the holder, specified  
17                  in the income tax laws of the United States by which distribution of the  
18                  property must begin in order to avoid a tax penalty; and penalty.  
19                  (16) All other property, five years after the owner's right to demand the  
20                  property or after the obligation to pay or distribute the property arises,  
21                  whichever first occurs."

22                  **SECTION 2.** This act becomes effective October 1, 2005.