

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1058

2007 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1058

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB1058

House Industry, Business and Labor Committee

☐ Check here for Conference Committee

Hearing Date: January 8, 2007

Recorder Job Number: 702

Committee Clerk Signature

*Stephanie N. Thomas*

Minutes:

**Chair Keiser** opened the hearing on HB 1058, relating to abandoned property under the Uniform Unclaimed Property Act.

**Linda Fisher, Unclaimed property Administrator, ND State Land Department:** In support of HB 1058. See written testimony #1.

**Rep. Kasper:** What about adding something to the law about publishing information. In your testimony you've got eight ways that you are currently publishing information. In the law we only have the newspaper. We'd be expanding where you are required to notice, or do you like it the way it is with just the newspaper required?

**Linda:** We'd be willing to talk about anything you think we can do to add to this list. Seems like every biennium we add a little bit of something new to it. This is the first biennium where we sent the emails. It's always been our theory in Unclaimed Property to do more than what the law requires.

**Rep. Johnson:** In the first part you'd be changing the definition of last known address. Where you're asking, at this time something coming to John Smith, Gackle, ND, would they then get to Gackle, ND?

**Linda:** If we remove that definition, it is the definition that's causing this problem right now. If we get rid of that language, it will come to our state like it's supposed to.

**Rep. Johnson:** Who is rejecting it then? Is it the post office that's saying it's not acceptable? At this time if it's not scheduled for delivery, how could they know what they'll get?

**Linda:** What's happening is that the business places that are doing the recording, that are supplying us with the information, they are looking at our law. They are going to our law and saying which state do I report my property to. They're saying well I have John Smith, Gackle, ND, that's not sufficient for the delivery of mail, and ND's law requires that. So, we're not sending it to ND, we're going to send it to the state of the corporation.

**Rep. Nottestad:** That's only a person and a city. What about this and that, it still doesn't identify where it is, the post office box, or general delivery? Would that still go out of state, or would that come back into the state?

**Linda:** As long as it says ND somewhere in the address, it would come to our state if this change was made. With a post office box, it probably would come to our state, and with a general delivery, that's debatable. I would say if I was filing a report and I saw general delivery, I probably would make the choice not to send it to ND, because in most cases general delivery is not officious of the delivery of mail anymore.

**Rep. Boe:** I do not have a 911 address, and I get questioned from banks and stuff that say they need a 911 address. I've never been able to provide them with one.

**Linda:** You are unclaimed property. If there was something for you with that address, it would probably still come to the state of ND. It might not be a 911 address, but you are still getting mail at that address. I can't guarantee that it would, but most of these are automated, and if the computer sees something it would probably still come to ND.

**Rep. Keiser:** There was a very important reason why consecutive was put into this bill, and that was that people go on vacation. The original theory was that you may go on vacation, but you should see the consecutive one if you miss it because you are out of town. Rather than eliminate it, would you accept an amendment that would say that your department makes a reasonable attempt to make it consecutive.

**Linda:** I think that would be fine. There was a point in time when the law required us to run two lists of names. Since then, a generic add has been put into the law. I believe that with the generic add coming in, if you've been out of town you're still going to cash the generic add, and still our phone number and website is in there.

**Rep. Thorpe:** Do pass

**Rep. Zaiser:** Second

**Roll call vote was taken. 14 yeas, 0 Nays, 0 Absent, Carrier Rep. Vigesaa**

Hearing closed

Date: 1-8-07  
Roll Call Vote #: \_\_\_\_\_

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1058

House Industry Business & Labor Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass

Motion Made By Rep. Thorpe Seconded By Rep. Zaiser

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	X		Rep. Amerman	X	
Vice Chairman Johnson	X		Rep. Boe	X	
Rep. Clark	X		Rep. Gruchalla	X	
Rep. Dietrich	X		Rep. Thorpe	X	
Rep. Dosch	X		Rep. Zaiser	X	
Rep. Kasper	X				
Rep. Nottestad	X				
Rep. Ruby	X				
Rep. Vigesaa	X				

Total Yes 14 No 0

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

**REPORT OF STANDING COMMITTEE (410)**  
January 8, 2007 1:03 p.m.

**Module No: HR-04-0306**  
**Carrier: Boe**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**HB 1058: Industry, Business and Labor Committee (Rep. Kelser, Chairman)**  
recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).  
HB 1058 was placed on the Eleventh order on the calendar.

2007 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1058



## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **HB 1058**

Senate Industry, Business and Labor Committee

☐ Check here for Conference Committee

Hearing Date: **February 26, 2007**

Recorder Job Number: **3828**

Committee Clerk Signature



*Unclaimed Property:*

**Linda Fisher, Unclaimed Property Administrator, ND State Land Department - *In Favor***

### **TESTIMONY # 1**

Bill seeks to change 2 areas of the act. Section 1. currently "last known address" is the address for delivery of mail with name and town. As with 911, that is no longer used, and state of Delaware is getting the mail and the money. Proposing to remove definition of this act.

Section 2: Public Notice Requirements they publish the names by law in the county newspapers, Currently use several methods of outreach including: County newspapers, a no charge website where public can search for property by city or address, national database, on television and do interviews, emails to on-line user groups, fairs, tradeshow, direct mailings. Only the newspaper contact is required by law. We publish 2 ads. We would like to remove the word "consecutively" so we can have more flexibility.

**S Klein:** Who knows you're not consecutive?

**Linda F:** The auditors.

**S Heitkamp:** This doesn't stop you from doing business with the paper, just in a different order?

**Linda F:** Yes

**S Wanzek:** Under current law, it plays out that "consecutive" means the day after?

**Linda F:** It would be the next paper published. Some papers are daily, some weekly, it would be the next issue.

**S Potter:** When you don't do it consecutively, are you buying more ads in the same paper?

**Linda F:** We do it .

**S Hacker:** How much money does Delaware have of North Dakotas?

**Linda F:** I don't know. All states have free searches on the website, Delaware does not; if our property were going to Delaware, we wouldn't know it. I found this out by accident.

**S Hacker:** What if this was retroactive? Would you have the ability to chase the information down?

**Linda F:** I'm working on that. I've been in contact with Delaware. If we can figure out a way to get that information.

**F? O?**

**CLOSE**

**Motion for a DO PASS by S. Heitkamp**

**Second by S Wanzek**

**S Hacker:** Delaware is pretty innovative in their policies.

**Roll Call for a DO PASS on HB 1058- 7 – 0 – 0 Passed**

**Carrier: Heitkamp**

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

**REPORT OF STANDING COMMITTEE (410)**  
February 26, 2007 11:02 a.m.

**Module No: SR-36-3835**  
**Carrier: Heltkamp**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**HB 1058: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends**  
**DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1058 was placed  
on the Fourteenth order on the calendar.

2007 TESTIMONY

HB 1058

**TESTIMONY OF LINDA FISHER  
Unclaimed Property Administrator  
North Dakota State Land Department**

**IN SUPPORT OF HOUSE BILL NO. 1058**

**House Industry, Business and Labor Committee  
January 8, 2007**

The Uniform Unclaimed Property Act (the Act), enacted in all 50 states and in effect in North Dakota since 1975, requires that after a certain period of time has elapsed, business owners must report unclaimed financial assets to State Unclaimed Property Administrators. The unclaimed assets we are referring to in this context generally consist of uncashed vendor or payroll checks, dormant bank accounts, undeliverable securities, forgotten utility deposits, etc.

House Bill 1058 proposes changes to two parts of the Act.

**Section 1:** Definition of last-known address for reporting purposes

**Section 2:** Administrator's public notice requirements

**Section 1: Definition of Last Known Address For Reporting Purposes**

The Act specifies that unclaimed assets must be reported to the State of the rightful owner's last-known address. North Dakota's Uniform Act currently defines last known address as "an address sufficient for the delivery of mail."

Historically it was common - especially in smaller communities - for citizens to use an abbreviated mailing address. Prior to 911 addressing for emergency planning, an address such as John Smith, Gackle, ND, would have been considered by most small town postmasters to be an address sufficient for the delivery of mail.

However, in today's world of automation, where the machines don't know that John Smith lives in the brown house across from the school, John Smith, Gackle, ND would not fit the North Dakota definition of "last-known address", as it would not be considered sufficient for the delivery of mail.

So why is that a problem where unclaimed property is concerned? It becomes a problem in that the US Supreme Court has ruled that in the absence of a bonafide "last-known address", property must be considered as "address unknown", and as such, must be delivered to the State of Incorporation of the reporting entity.

As a result, we are finding that unclaimed property, which quite clearly belongs to current or previous North Dakota residents, is being reported to other states (predominantly Delaware) because of a technicality relating to our current definition of last-known address.

Since "last-known address" as used in the Act is by and large self-explanatory, we propose removing the definition from the statute, thereby allowing property for our citizens to come to our state without question.

## **Section 2: Administrator's Public Notice Requirements**

Once property has been reported to the Unclaimed Property office, it is our responsibility to inform the public about what we have received. We are currently involved in many methods of outreach, including the following:

- 1) Annually publishing legal notices of names and posting generic unclaimed property ads in each official county newspaper.
- 2) Maintaining a no-charge web site where the public can search for property by name (or by city of last known address) and can start the claim process.
- 3) Participating in a State's National Database which features multiple-state, unlimited, fee-free searches.
- 4) Appearing on television and doing radio interviews around the state to provide unclaimed property information to both claimants and holders.
- 5) Circulating e-mails to on-line user groups.
- 6) Making presentations at various community and business functions.
- 7) Displaying names of owners at fairs and tradeshow.
- 8) Doing direct mailing to owners of security-related property.

Currently, only the first outreach method is required by law. NDCC 47-10.1-18 specifically requires the Administrator to annually publish for two consecutive weeks a notice of unclaimed property received for that year. One of the publications is to be a list containing the names and last known addresses, and the second publication is a "display" ad containing general information relating to property searches.

It is not unusual for us to find that our requests to the county newspapers for consecutive publications have not been met. A simple removal of the "consecutive" publication requirement would give us, and the papers, some flexibility without watering down the intent of the statute.

With those explanations, I respectfully request a "do pass" recommendation on House Bill No. 1058 and would be happy to answer any questions you might have.

**TESTIMONY OF LINDA FISHER  
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North Dakota State Land Department**

**IN SUPPORT OF HOUSE BILL NO. 1058**

**Senate Industry, Business and Labor Committee  
February 26, 2007**

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