

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

**HOUSE BILL 672
RATIFIED BILL**

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

The General Assembly of North Carolina enacts:

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

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

- (1) Traveler's check, 15 years after ~~issuance~~; issuance.
- (2) Time deposit, including a deposit that is automatically renewable, 10 years after the later of initial maturity or the date of the last indication by the owner of interest in the ~~property~~; property.
- (3) Money order, cashier's check, teller's check, and certified check, seven years after ~~issuance~~; issuance.
- (4) Stock or other equity interest in a business association, including a security entitlement under Article 8 of the Uniform Commercial Code, Chapter 25 of the General Statutes, ~~five~~ three years after the earlier of:
 - a. ~~The date of a cash dividend or other cash-distribution unclaimed by the apparent owner, or~~ The date of a cash dividend or other cash-distribution unclaimed by the apparent owner.
 - b. ~~The date a second consecutive mailing, notification, or communication from the holder to the apparent owner is returned to the holder as unclaimed by or undeliverable to the apparent owner.~~ The date a second consecutive mailing, notification, or communication from the holder to the apparent owner is returned to the holder as unclaimed by or undeliverable to the apparent owner.
 - c. The date the holder discontinued mailings, notifications, or communications to the apparent owner.

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

- (5) Debt of a business association, ~~other than a~~ including debt evidenced by a matured or called bearer bond or an original issue discount bond, ~~five~~ three years after the date of an interest or principal payment unclaimed by the apparent ~~owner~~; owner.
- (5a) Any dividend, profit, distribution, interest, redemption, payment on principal, cash compensation (including amounts from a demutualized insurance company), or other sum held or owing by a business association for or to its shareholder, certificate holder, policyholder, member, bondholder, or other security holder, who has not claimed it, or corresponded in writing with the business association concerning it, within three years after the date prescribed for payment or delivery.

- (6) Demand or savings deposit, five years after the date of the last indication by the owner of interest in the ~~property;~~ property.
- (7) Money or credits owed to a customer as a result of a retail business transaction, three years after the obligation ~~accrued;~~ accrued.
- (8) Any gift certificate or electronic gift card bearing an expiration date and remaining unredeemed or dormant for more than three years after the gift certificate or electronic gift card was sold is deemed abandoned. The amount abandoned is deemed to be sixty percent (60%) of the unredeemed portion of the face value of the gift certificate or the electronic gift ~~card;~~ card.
- (9) Amount owed by an insurer on a life or endowment insurance policy or an annuity that has matured or terminated, three years after the obligation to pay arose or, in the case of a policy or annuity payable upon proof of death, three years after the insured has attained, or would have attained if living, the limiting age under the mortality table on which the reserve is ~~based;~~ based.
- (10) Property distributable by a business association in a course of dissolution, one year after the property becomes ~~distributable;~~ distributable.
- (11) Property received by a court as proceeds of a class action, and not distributed pursuant to the judgment, one year after the distribution ~~date;~~ date.
- (12) Property held by a court, government, governmental subdivision, agency, or instrumentality, one year after the property becomes ~~distributable;~~ distributable.
- (13) Wages or other compensation for personal services, two years after the compensation becomes ~~payable;~~ payable.
- (14) Deposit or refund owed to a subscriber by a utility, one year after the deposit or refund becomes ~~payable;~~ payable.
- (15) Property in an individual retirement account, defined benefit plan, or other account or plan that is qualified for tax deferral under the income tax laws of the United States, three years after the earliest of the date of the distribution or attempted distribution of the property, the date of the required distribution as stated in the plan or trust agreement governing the plan, or the date, if determinable by the holder, specified in the income tax laws of the United States by which distribution of the property must begin in order to avoid a tax ~~penalty; and~~ penalty.
- (16) All other property, five years after the owner's right to demand the property or after the obligation to pay or distribute the property arises, whichever first occurs."

SECTION 2. This act becomes effective June 30, 2005.
In the General Assembly read three times and ratified this the 22nd day of June, 2005.

Beverly E. Perdue
President of the Senate

James B. Black
Speaker of the House of Representatives

Michael F. Easley
Governor

Approved _____m. this _____ day of _____, 2005