

2005 DRAFTING REQUEST

Senate Amendment (SA-SB424)

Received: 02/09/2006

Received By: rnelson2

Wanted: Soon

Identical to LRB:

For: Glenn Grothman (608) 266-7513

By/Representing: John Rader

This file may be shown to any legislator: NO

Drafter: rnelson2

May Contact:

Addl. Drafters:

Subject: Courts - miscellaneous

Extra Copies:

Submit via email: YES

Requester's email: Sen.Grothman@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Unclaimed stocks and other commercial paper

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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/1	rnelson2 02/09/2006	kfollett 02/09/2006	rschluet 02/09/2006	_____	sbasford 02/09/2006	sbasford 02/09/2006	
/2	rnelson2 02/14/2006	kfollett 02/14/2006	rschluet 02/14/2006	_____	mbarman 02/14/2006	mbarman 02/14/2006	

FE Sent For:

<END>

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<END>

2146

2005 DRAFTING REQUEST

Senate Amendment (SA-SB424)

Received: 02/09/2006

Received By: rnelson2

Wanted: Soon

Identical to LRB:

For: State Treasurer 6-7982

By/Representing: John Rader

This file may be shown to any legislator: NO

Drafter: rnelson2

May Contact:

Addl. Drafters:

Subject: Courts - miscellaneous

Extra Copies:

Submit via email: YES

Requester's email: treasury@ost.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Unclaimed stocks and other commercial paper

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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/1	rnelson2 02/09/2006	kfollett 02/09/2006	rschluet 02/09/2006	_____	sbasford 02/09/2006	sbasford 02/09/2006	

FE Sent For:

<END>

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Senate Amendment (SA-SB424)

Received: 02/09/2006

Received By: rnelson2

Wanted: Soon

Identical to LRB:

For: State Treasurer 6-7982

By/Representing: John Rader

This file may be shown to any legislator: NO

Drafter: rnelson2

May Contact:

Addl. Drafters:

Subject: Courts - miscellaneous

Extra Copies:

Submit via email: YES

Requester's email: treasury@ost.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

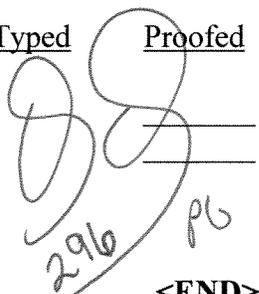
Unclaimed stocks and other commercial paper

Instructions:

See Attached

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/?	rnelson2	1/16jf 2/9					
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FE Sent For:

<END>



Jack C. Voight
State Treasurer of Wisconsin

Mailing Address:
P.O. Box 7871
Madison, WI 53707-7871

Phone: 608/266-1714
Fax: 608/266-2647
E-Mail: treasury@ost.state.wi.us

FAX TRANSMITTAL

PLEASE DELIVER THE FOLLOWING 3 FAX PAGES (INCLUDING COVER) TO:

Name: Bob Nelson LRB
Title: _____
Phone: _____

FAX IS FROM:

Name: John Rader
Title: Dep. State Treas
Phone: 266-7982

MESSAGE:

Here is the proposed "friendly"
amendment to SB 424
Thanks.
John

draft as amendment to SB 424

PROPOSED LEGISLATIVE AMENDMENTS TO WISCONSIN UNCLAIMED PROPERTY LAW

Reduction in Dormancy Period for Securities Related Property

Twenty three states already require the reporting of unclaimed dividends, underlying shares, unexchanged shares and underlying debt instruments after three (3) years of inactivity. Several other states have similar amendments pending in current legislative sessions.

The Securities and Exchange Commission mandates that transfer agents conduct two database searches for lost shareholders within two years after mail is returned as undeliverable. Once the transfer agents have conducted these searches and are unsuccessful, the most likely scenario is that search firms may be used to locate the lost shareholders, charging them high percentage fees of 25-30% for the service. If the lost shareholders are still not found, the account would be held until it is ripe for reporting. Presently, in Wisconsin that would be for five years.

By reducing the dormancy period on securities related property, the state would have the first opportunity to locate the missing owners and return the owners' property for free before search firms can exact their fees. Reducing the dormancy period will accelerate collections as well as provide consumer protection. No industry objection has been mounted. The Wisconsin unclaimed property law could be amended by replacing the present § 177.10 in its entirety, with the following language.

§ 177.10. Stock and Other Intangible Interest in a Business Association

A. (1). Stock or other equity interest in a business association is presumed unclaimed three (3) years after the earliest of:

(a). The date of the most recent dividend, stock split, or other distribution unclaimed by the apparent owner, or

(b). The date a state of account or other notification or communication was returned as undeliverable.

Removed communication factor

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

(2). Except as otherwise provided in § 177.13 of this title, unmatured or unredeemed debt, other than a bearer bond or an original issue discount bond, is presumed unclaimed three (3) years after the date of the ~~most recent~~ interest payment unclaimed by the owner.

earliest

(3). Except as otherwise provided in § 177.13, matured or redeemed debt is presumed unclaimed three (3) years after the date of maturity or redemption.

(4). At the time property is presumed unclaimed under paragraph (1) or (2) of this subsection, any other property right accrued or accruing to the owner as a result of the property interest and not previously presumed unclaimed is also presumed unclaimed.

(5). A stock or other intangible ownership interest enrolled in a plan that provides for the automatic reinvestment of dividends, distributions, or other sums payable as a result of the interest shall not be presumed to be abandoned if the holder has sent a statement or other business communication concerning such property to the owner by first-class mail and the statement or other business communication has not been returned for inability to make delivery to the addressee.

B. The running of any three-year period pursuant to subsection A of this section ceases if the person:

(1). Communicates in writing with the association or its agent regarding the interest or a dividend, distribution, or other sum payable as a result of the interest.

(2). Otherwise communicates with the association regarding the interest or a dividend, distribution, or other sum payable as a result of the interest, as evidenced by a memorandum or other record on file with the association or its agent, or

(3). Presents an instrument issued to pay interest or a dividend or other cash distribution. If any future dividend, distribution, or other sum payable to the owner as a result of the interest is subsequently not claimed by the owner, a new period in which the property is presumed unclaimed commences and relates back only to the time a subsequent dividend, distribution, or other sum became due and payable.

C. Any dividend, profit, distribution, interest, redemption, payment on principal, or other sum held or owing by a business association for or to its shareholder, certificate holder, member, bondholder, or other security holder, who has not claimed it, or corresponded in writing with the business association concerning it, within three (3) years after the date prescribed for payment or delivery, is presumed unclaimed.



State of Wisconsin
2005 - 2006 LEGISLATURE

LRBa2286/?
RPN:...

5002

kjf

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~
SENATE AMENDMENT ,
TO 2005 SENATE BILL 424

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At the locations indicated, amend the bill as follows:

1. Page 1, line 2: after "statutes" insert "and to repeal and recreate 177.10 of the statutes".

2. Page 2, line 1: before that line insert:

"SECTION 1m. 177.10 of the statutes is repealed and recreated to read:

177.10 (insert A) here

SECTION (CS) (B) m

3. Page 2, line 1: delete "1" and substitute "1g".

(END)

ⓑ (51)

(4) At the time property is presumed unclaimed under paragraph (1) or (2) of this subsection, any other property right accrued or accruing to the owner as a result of the property interest and not previously presumed unclaimed is also presumed unclaimed.

ⓑ (61)

(5) A stock or other intangible ownership interest enrolled in a plan that provides for the automatic reinvestment of dividends, distributions, or other sums payable as a result of the interest shall not be presumed to be abandoned if the holder has sent a statement or other business communication concerning such property to the owner by first class mail and the statement or other business communication has not been returned for inability to make delivery to the addressee.

1st class

ⓑ (81)

B. The running of any three-year period pursuant to subsection A of this section ceases if the person does any of the following:

(a) (1) Communicates in writing with the association or its agent regarding the interest or a dividend, distribution, or other sum payable as a result of the interest.

(a) (2) Otherwise communicates with the association regarding the interest or a dividend, distribution, or other sum payable as a result of the interest, as evidenced by a memorandum or other record on file with the association or its agent.

(a) (3) Presents an instrument issued to pay interest or a dividend or other cash distribution. If any future dividend, distribution, or other sum payable to the owner as a result of the interest is subsequently not claimed by the owner, a new period in which the property is presumed unclaimed commences and relates back only to the time a subsequent dividend, distribution, or other sum became due and payable. "

ⓐ (7)

(7) Any dividend, profit, distribution, interest, redemption, payment on principal, or other sum held or owing by a business association for or to its shareholder, certificate holder, 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, is presumed unclaimed.

end of insert A



State of Wisconsin
2005 - 2006 LEGISLATURE

LRBa2286/1

RPN:kjf:js

Wanted 2/15 A17

SENATE AMENDMENT,
TO 2005 SENATE BILL 424

1 At the locations indicated, amend the bill as follows:

2 1. Page 2, line 1: before that line insert:

3 "SECTION 1g. 177.10 of the statutes is repealed and recreated to read:

4 **177.10 Stock and other intangible interest in a business association.**

5 (1) Stock or other equity interest in a business association is presumed unclaimed
6 3 years after the earliest of the following:

7 (a) The date of the most recent dividend, stock split, or other distribution
8 unclaimed by the apparent owner.

9 (b) The date a state^{ment} of account or other notification or communication was
10 returned as undeliverable.

11 (2) Subsection (1) applies to both the underlying stock, share, or other
12 intangible ownership interest of an owner, and to the stock, share, or other intangible

1 ownership interest in dividend and nondividend paying business associations
2 whether or not the interest is represented by a certificate.

3 (3) Except as provided in s. 177.13, unmatured or unredeemed debt, other than
4 a bearer bond or an original issue discount bond, is presumed unclaimed 3 years after
5 the date of the earliest interest payment unclaimed by the owner.

6 (4) Except as provided in s. 177.13, matured or redeemed debt is presumed
7 unclaimed 3 years after the date of maturity or redemption.

8 (5) At the time property is presumed unclaimed under sub. (1) or (2), any other
9 property right accrued or accruing to the owner as a result of the property interest
10 and not previously presumed unclaimed is also presumed unclaimed.

11 (6) A stock or other intangible ownership interest enrolled in a plan that
12 provides for the automatic reinvestment of dividends, distributions, or other sums
13 payable as a result of the interest shall not be presumed to be abandoned if the holder
14 has sent a statement or other business communication concerning the property to the
15 owner by 1st class mail and the statement or other business communication has not
16 been returned for inability to make delivery to the addressee.

17 (7) Any dividend, profit, distribution, interest, redemption, payment on
18 principal, or other sum held or owing by a business association for or to its
19 shareholder, certificate holder, member, bondholder, or other security holder, who
20 has not claimed it, or corresponded in writing with the business association
21 concerning it, within 3 years after the date prescribed for payment or delivery, is
22 presumed unclaimed.

23 (8) The running of any 3-year period under this section ceases if the person
24 does any of the following:

1 (a) Communicates in writing with the association or its agent regarding the
2 interest or a dividend, distribution, or other sum payable as a result of the interest.

3 (b) Otherwise communicates with the association regarding the interest or a
4 dividend, distribution, or other sum payable as a result of the interest, as evidenced
5 by a memorandum or other record on file with the association or its agent.

6 (c) Presents an instrument issued to pay interest or a dividend or other cash
7 distribution. If any future dividend, distribution, or other sum payable to the owner
8 as a result of the interest is subsequently not claimed by the owner, a new period in
9 which the property is presumed unclaimed commences and relates back only to the
10 time a subsequent dividend, distribution, or other sum became due and payable.”

11 **2.** Page 2, line 1: delete “**SECTION 1**” and substitute “**SECTION 1m**”.

12 (END)

CCC to
Senate Amendment 1
to 2005 Senate Bill 424
(March 10³, 2006)

#. Page 2, line 18:
delete "owning" and substitute
"owned".

(End)

LRB 2286/2-ccc-1
KJF





State of Wisconsin
2005-2006 LEGISLATURE

CORRECTIONS IN:

**SENATE AMENDMENT 1,
TO 2005 SENATE BILL 424**

Prepared by the Legislative Reference Bureau
(March 13, 2006)

1. Page 2, line 18: delete "owning" and substitute "owned".

(END)