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## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

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<b>2015 Senate Bill 603</b>	<b>Senate Substitute Amendment 1</b>
<i>Memo published: February 12, 2016</i>	<i>Contact: Zach Ramirez, Staff Attorney (267-9485)</i>

2015 Senate Bill 603 generally creates a procedure by which the Department of Revenue (DOR) may bring an action for a judgment that a U.S. savings bond is abandoned and for an order transferring ownership of the abandoned bond to the State of Wisconsin. If a court grants the order, DOR may redeem the bond. However, any person claiming an interest in a bond may file a claim for return of the bond.

Senate Substitute Amendment 1 makes changes relating to the presumption of abandonment of a savings bond; notice provided to a bond owner; and recovery of an unredeemed bond.

### ABANDONED SAVINGS BOND

#### Current Law

Under current law, property is presumed abandoned for purposes of the Unclaimed Property Act (ch. 177, Stats.) under the following circumstances:

- Property held by agents and fiduciaries. Intangible property and any income or increment derived from it held in a fiduciary capacity for the benefit of another person is presumed abandoned unless the owner, within five years after it has become payable or distributable, has increased or decreased the principal, accepted payment of principal or income, communicated concerning the property, or otherwise indicated an interest as evidenced by a memorandum or other record on file prepared by the fiduciary.
- Property held by courts and public agencies. Intangible property held for the owner by a court, state, or other government, governmental subdivision, or agency, public

corporation, or public authority that remains unclaimed by the owner for more than one year after it became payable or distributable is presumed abandoned.

- Contents of safe deposit box or other safekeeping repository. All tangible and intangible property held in a safe deposit box or any other safekeeping repository in this state in the ordinary course of the holder's business and proceeds resulting from the sale of the property permitted by other law, which remain unclaimed by the owner for more than five years after the lease or rental period on the box or other repository has expired, are presumed abandoned.

### **The Bill**

The bill provides that a savings bond that remains unredeemed by the owner for more than five years after the date of final maturity is presumed abandoned. "Final maturity" means the date a bond stops earning interest upon reaching its final extended maturity date.

### **The Substitute Amendment**

The substitute amendment provides that the five-year abandonment provision in the bill only applies if the three circumstances for abandonment under current law, as described in the bulletpoints above, do not apply. If one of the three circumstances under current law applies, then the applicable abandonment period under current law applies.

## **NOTICE TO SAVINGS BOND OWNER**

### **Current Law**

Under current law, a person holding property that is presumed abandoned must report certain information about the property to DOR. Not more than 120 days prior to filing such report, the person in possession of the property that is presumed abandoned must send written notice to the apparent owner at his or her last-known address under certain circumstances.

In addition, current law requires DOR to annually publish on an Internet site a notice of the names of persons appearing to be owners of abandoned property, including the name and last-known address of each person. The notice must also be published in a specified newspaper.

### **The Bill**

The bill requires that, for a savings bond, the report to DOR must include the name and last-known address of each owner of the bond and the issue date, face amount, and serial number of the bond.

### **The Substitute Amendment**

The substitute amendment deletes the requirement in the bill relating to the provision of specific information for savings bonds. Instead, the substitute amendment requires DOR's

Internet and newspaper notice to include the name and last-known address of each owner of a savings bond that has been presumed abandoned since the publication of the previous notice.

## **RECOVERY OF UNREDEEMED SAVINGS BOND**

### **The Bill**

Under the bill, any person claiming an interest in a savings bond immediately before this state became the owner of the bond may file a claim. If the claim is allowed, DOR must deliver the bond to the claimant or pay the claimant the amount DOR received from redeeming the bond, minus any amounts for administrative expenses.

### **The Substitute Amendment**

Under the substitute amendment, if a claim is allowed, DOR must pay the claimant the amount DOR received from redeeming the bond, minus any amounts for administrative expenses. However, if the savings bond has not been redeemed, DOR must pay the amount it estimates it will receive from redeeming the bond, minus any amounts it estimates for administrative expenses.

## **BILL HISTORY**

On February 4, 2016, Senator Marklein offered Senate Substitute Amendment 1. On February 8, 2016, the Senate Committee on Revenue, Financial Institutions, and Rural Taxes recommended adoption of the amendment and passage of the bill, as amended, on votes of Ayes, 5; Noes, 0.

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