

# State of Wisconsin



2015 Assembly Bill 721

Date of enactment: **March 30, 2016**

Date of publication\*: **March 31, 2016**

## 2015 WISCONSIN ACT 309

AN ACT *to amend* 177.22 (1) and 177.23 (1); and *to create* 177.01 (14m), 177.135, 177.18 (1g), 177.225, 177.23 (2) (am) and 177.255 of the statutes; **relating to:** escheat of abandoned U.S. savings bonds.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

**SECTION 1.** 177.01 (14m) of the statutes is created to read:

177.01 (14m) "U.S. savings bond" means a savings bond issued by the U.S. department of the treasury, whether in paper, electronic, or paperless form, and includes all proceeds of the savings bond.

**SECTION 2.** 177.135 of the statutes is created to read:

**177.135 U.S. savings bonds.** Except as provided in ss. 177.12 (1), 177.13, and 177.16, a U.S. savings bond that remains unredeemed by the owner for more than 5 years after the date of final maturity is presumed abandoned. In this section, "final maturity" means the date a U.S. savings bond stops earning interest upon reaching its final extended maturity date.

**SECTION 3.** 177.18 (1g) of the statutes is created to read:

177.18 (1g) In addition to any notice required under sub. (1), the administrator shall also publish, in the notice described under sub. (1), the name and last-known address of each owner of a U.S. savings bond that has been presumed abandoned under s. 177.135 since the publication of the previous notice.

**SECTION 4.** 177.22 (1) of the statutes is amended to read:

177.22 (1) Except as provided in subs. (2) and (4) and s. 177.225, the administrator, within 3 years after the receipt of abandoned property, shall sell it to the highest bidder in a manner that, in the judgment of the administrator, affords the most favorable market for the property. The administrator may decline the highest bid and reoffer the property for sale if, in his or her judgment, the bid is insufficient. If the administrator determines that the probable cost of sale exceeds the value of the property, it need not be offered for sale. Any public sale under this section held in a city, village, or town in this state shall be preceded by the publication of one notice, at least 3 weeks in advance of sale, in a newspaper of general circulation in the county in which the property is to be sold.

**SECTION 5.** 177.225 of the statutes is created to read:

**177.225 Escheat of U.S. savings bonds.** (1) If all of the following conditions apply, the administrator may bring an action for a judgment that a U.S. savings bond, including a U.S. savings bond in the possession of the administrator or a U.S. savings bond that has been lost, stolen, or destroyed, is abandoned and for an order transferring ownership of the abandoned U.S. savings bond to this state:

(a) The U.S. savings bond has been presumed abandoned under s. 177.135 for at least one year.

\* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

(b) The U.S. savings bond is subject to the custody of this state as unclaimed property under s. 177.03.

(c) At least one year has elapsed since the administrator published the notice required under s. 177.18 (1g).

(2) An action under sub. (1) may be commenced in the circuit court for Dane County or in any county that would be a proper place of trial under s. 801.50. Subject to sub. (3), service may be made under s. 801.11 (1) (c) by publication of a notice published as a class 3 notice under ch. 985. In determining which newspaper is likely to give notice as required under s. 985.02 (1), the administrator shall consider the conditions under s. 177.03 that made the U.S. savings bond subject to the custody of this state as unclaimed property. The administrator may postpone commencing an action under this subsection until sufficient U.S. savings bonds meet the conditions under sub. (1) to justify the expense of the action.

(3) If service is made under sub. (2) by publication of a notice, the administrator shall, before publication of the notice, file with the court an affidavit setting forth the administrator's efforts to locate the owners of each U.S. savings bond subject to the action, and, upon filing of the affidavit, there shall be a presumption that the owners cannot with reasonable diligence be served under s. 801.11 (1) (a) or (b). The affidavit shall include all of the following information with respect to the U.S. savings bond:

(a) A description of the efforts made by the administrator to ascertain the name and last-known address of each person appearing to be an owner of the U.S. savings bond.

(b) The name and last-known address of each person identified by the administrator as appearing to be an owner of the U.S. savings bond.

(c) The interest of each unknown person identified by the administrator as appearing to be an owner of the U.S. savings bond.

(d) A description of the efforts made by the administrator to notify each owner of the U.S. savings bond that the owner may be entitled to claim abandoned property.

(e) A statement that, based on prior efforts of the administrator to locate or contact the persons appearing to be owners of the U.S. saving bond, the administrator believes that the administrator cannot, with reasonable diligence, serve the owners with notice of the action by personal or substituted service.

(4) In an action under sub. (1), if the court finds that the administrator has substantially complied with the provisions of this chapter and that no other person has proven ownership of the U.S. savings bond, the court shall enter judgment that this state has all legal title and interest, including all rights, powers, and privileges of survivorship of any owner, co-owner, or beneficiary, of the U.S. savings bond and that this state owns the U.S. savings bond free of all claims of the owner or previous holder and of all persons claiming through or under them.

(5) Within 3 years after the entry of a judgment under sub. (4), the administrator shall file an application with the U.S. department of the treasury to redeem the U.S. savings bond.

**SECTION 6.** 177.23 (1) of the statutes is amended to read:

177.23 (1) Except as provided in sub. (2), the administrator shall deposit in the school fund all funds received under this chapter, including the clear proceeds from the sale of abandoned property under s. 177.22 and amounts received from the redemption of U.S. savings bonds under s. 177.225 (5). Before making the deposit, the administrator shall record the name and last-known address of each person appearing from the holders' reports to be entitled to the property ~~and~~; the name and last-known address of each insured person or annuitant and beneficiary ~~and~~; with respect to each policy or contract listed in the report of an insurance company, its number, the name of the company, and the amount due; and, with respect to each U.S. savings bond, the name and last-known address of each owner of the U.S. savings bond and the issue date, face amount, and serial number of the U.S. savings bond. The information recorded by the administrator under this subsection is not available for inspection or copying under s. 19.35 (1) until 12 months after payment or delivery of the property is due under s. 177.17 (4) (a).

**SECTION 7.** 177.23 (2) (am) of the statutes is created to read:

177.23 (2) (am) Any costs in connection with an action under s. 177.225 (1) and the redemption of a U.S. savings bond under s. 177.225 (5).

**SECTION 8.** 177.255 of the statutes is created to read:

**177.255 Claim to recover abandoned U.S. savings bond.** Notwithstanding s. 177.225, any person who could have claimed an interest in a U.S. savings bond immediately before this state became the owner of the U.S. savings bond pursuant to a judgment entered under s. 177.225 (4) may file a claim under s. 177.24, and another state may file a claim under s. 177.25. Notwithstanding s. 177.24 (3) or 177.25 (2), if the claim is allowed, the administrator shall pay the claimant the amount the administrator received from redeeming the U.S. savings bond under s. 177.225 (5), minus any amounts that were deposited in the general fund to pay administrative expenses under s. 177.23 (2) that are attributable to the U.S. savings bond, or, if the U.S. savings bond has not been redeemed, the amount the administrator estimates the administrator will receive from redeeming the U.S. savings bond under s. 177.225 (5), minus any amounts the administrator estimates will be deposited in the general fund to pay administrative expenses under s. 177.23 (2) that are attributable to the U.S. savings bond.

**SECTION 9. Nonstatutory provisions.**

(1) An unredeemed U.S. savings bond in the possession of the administrator on the effective date of this subsection is presumed abandoned under section 177.135 of the statutes, as created by this act, as follows:

(a) If the U.S. savings bond reached final maturity, as defined in section 177.135 of the statutes, as created by this act, more than 5 years before the effective date of this paragraph, the U.S. savings bond is presumed abandoned on the date that is 5 years and one day after the date of final maturity.

(b) If the U.S. savings bond reached final maturity, as defined in section 177.135 of the statutes, as created by this act, not more than 5 years before the effective date of this paragraph, the U.S. savings bond will be presumed abandoned on the date that is 5 years and one day after the date of final maturity even if the U.S. savings bond would

have been presumed abandoned on an earlier date under chapter 177, 2013 stats.

(c) If the U.S. savings bond has not reached final maturity, as defined in section 177.135 of the statutes, as created by this act, on the effective date of this paragraph, the U.S. savings bond will be presumed abandoned on the date that is 5 years and one day after the date of final maturity even if the U.S. savings bond would have been presumed abandoned on an earlier date under chapter 177, 2013 stats.

(2) For the purposes of determining when an action may be commenced under section 177.225 (1) of the statutes, as created by this act, a notice published by the administrator under section 177.18 of the statutes must include the name and last-known address of each person appearing to be an owner of the U.S. savings bond.

---