



## WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

**2015 Wisconsin Act 309**  
[2015 Assembly Bill 721]

**Escheat of Abandoned U.S. Savings  
Bonds**

2015 Wisconsin Act 309 (“the Act”) relates to the abandonment of U.S. savings bonds.

### PRESUMPTION OF ABANDONMENT

Under Wisconsin law, generally retained by the Act, 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.

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature’s Web site at: <http://www.legis.wisconsin.gov>.

**The Act** provides that, in certain circumstances, a savings bond that remains unredeemed by its owner for more than five years after the date of final maturity<sup>1</sup> is presumed abandoned. Under the Act, that five-year abandonment provision applies if the three circumstances for abandonment under prior law, as described in the bullet points above, do not apply. If one of the three circumstances under prior law applies, then the applicable abandonment period under prior law applies.

### **PROCEDURE FOR TRANSFERRING OWNERSHIP TO STATE**

**The Act** authorizes the Department of Revenue (DOR) to 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. The action may be commenced in the circuit court for Dane County or in any county that would be a proper place of trial under state law if all of the following conditions apply:

- The U.S. savings bond has been presumed abandoned under state law for at least one year.
- The U.S. savings bond is subject to the custody of the state as unclaimed property.
- At least one year has elapsed since DOR published the notice described below.

The DOR must file an affidavit with the court that sets forth all of the following:

- DOR's efforts to ascertain the name and last-known address of each person appearing to be an owner of the U.S. savings bond.
- The name and last-known address of each person identified by DOR as appearing to be an owner.
- The interest of each unknown person identified by DOR.
- A description of the efforts made by DOR to notify each owner of the U.S. savings bond that the owner may be entitled to claim abandoned property.
- A statement that, based on prior efforts of the administrator to locate or contact the persons appearing to be owners of the U.S. savings bond, DOR believes that it cannot, with reasonable diligence, serve the owners with notice of the action by personal or substituted service.

Once the affidavit is filed, the Act establishes a presumption that the owners cannot, with reasonable diligence, be served.

The Act requires a court to enter judgment that the state has all legal title and interest of the U.S. savings bond and owns the savings bond free of all claims of the owner or previous holder if it finds that DOR has substantially complied with the requirements in ch. 177, Stats., and that no other person has proven ownership of the U.S. savings bond.

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<sup>1</sup> The Act defines "final maturity" to mean the date on which a bond stops earning interest upon reaching its final extended maturity date.

## **REDEMPTION AND DEPOSIT IN SCHOOL FUND**

The Act requires DOR to file an application with the U.S. Department of Treasury to redeem the U.S. savings bond within three years after the entry of a judgment under the Act. DOR must deposit the amounts received from such redemptions in the school fund.

## **NOTICE TO SAVINGS BOND HOLDER**

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

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

**The Act** 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 Act** authorizes any person who could have claimed an interest in a savings bond immediately before this state became the owner of the bond to file a claim with DOR. Under the Act, 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.

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