

2001 DRAFTING REQUEST

Bill

Received: 10/04/2000

Received By: **rmarchan**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Geisler**

This file may be shown to any legislator: **NO**

Drafter: **rmarchan**

May Contact:

Alt. Drafters: **kahlepj**

Subject: **Fin. Inst. - miscellaneous
State Government - miscellaneous
Probate - miscellaneous**

Extra Copies:

Pre Topic:

DOA:.....Geisler -

Topic:

Unclaimed property

Instructions:

See Attached. Same as LRB-0109

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> |
|--------------|---|------------------------|------------------------|----------------|----------------------------|-----------------|-----------------|
| /? | rmarchan 10/04/2000 kahlepj 10/04/2000 | csicilia 10/04/2000 | | _____ | | | S&L |
| /1 | | | rschluet 10/05/2000 | _____ | lrb_docadmin 10/05/2000 | | S&L |
| /2 | kahlepj 02/06/2001 | jdyer 02/06/2001 | haugeca 02/06/2001 | _____ | lrb_docadmin 02/06/2001 | | |

FE Sent For:

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| /? | rmarchan 10/04/2000 kahlepj 10/04/2000 | csicilia 10/04/2000 <i>1/2 2/6 jld</i> | | | | | S&L |
| /1 | | | rschluet 10/05/2000 | <i>RF</i> | lrb_docadmin 10/05/2000 | | |

FE Sent For:

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2-6*

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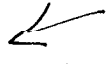
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|--------------|----------------|-----------------|--------------|----------------|------------------|-----------------|-----------------|
| 1/? | rmarchan | 1 gjs 10/4/00 | 10.5.00 | 10.5.00 | | | |

FE Sent For:

<END>

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY



Division of Executive Budget and Finance
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Madison, WI 53707-7864
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Date: September 28, 2000
To: Steve Miller, LRB
From: Jeffrey A. Geisler, DOA
266-1805
Subject: Budget Drafts of State Treasurer Statutory Language

I'm forwarding several statutory language changes that the Office of the State Treasurer included with its budget submission.

✓ 1. Unclaimed Property Law Changes

The attached draft (0109/P1) should be converted to a budget draft.

✓ 2. EdVest Changes

Please see the attached drafting instructions.

3. State Treasurer Salary Changes

The attached draft (0266/1) should be converted to a budget draft.

Thanks.

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1 AN ACT *to repeal* 177.18 (2) (c), 177.19 (title), (1) and (2), 863.37 (2) (b) and 863.39
2 (3) (b); *to renumber and amend* 177.17 (4), 177.18 (2) (d), 177.19 (4) and
3 863.37 (2) (a); *to amend* 177.06 (3) (b), 177.06 (4), 177.10 (1) (intro.), (2) and (3),
4 177.10 (5), 177.17 (title), 177.18 (title), 177.18 (1), 177.18 (2) (intro.), 177.23 (1),
5 177.35 (2), 852.01 (3) and 863.39 (3) (a); and *to create* 863.39 (3) (bm) of the
6 statutes; **relating to:** abandoned property reporting, notice, payment and
7 delivery requirements; abandoned stock and intangible business interests; and
8 creating a procedure for claiming certain escheated funds.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a later version.

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

9 SECTION 1. 177.06 (3) (b) of the statutes is amended to read:
10 177.06 (3) (b) Assess a service charge after December 31 of the 2nd calendar
11 year covered in the report filed under s. 177.17 concerning that property.

SECTION 2

1 **SECTION 2.** 177.06 (4) of the statutes is amended to read:

2 177.06 (4) Any property described in sub. (1) that is automatically renewable
3 is matured for purposes of sub. (1) upon the expiration of its initial time period, or
4 after one year if the initial period is less than one year, except that in the case of any
5 renewal to which the owner consents at or about the time of renewal by
6 communicating in writing with the banking or financial organization or otherwise
7 indicating consent as evidenced by a memorandum or other record on file prepared
8 by an employee of the organization, the property is matured upon the expiration of
9 the last time period for which consent was given or one year from the date of the last
10 consent, whichever is longer. If, at the time provided for delivery in s. ~~177.19~~ 177.17
11 (4) (a), a penalty or forfeiture in the payment of interest would result from the
12 delivery of the property, the time for delivery is extended until the time when no
13 penalty or forfeiture would result.

14 **SECTION 3.** 177.10 (1) (intro.), (2) and (3) of the statutes are amended to read:

15 177.10 (1) (intro.) Except as provided in subs. (2) and (5), any stock or other
16 intangible ownership interest in a business association, the existence of which is
17 evidenced by records available to the association, is presumed abandoned and, with
18 respect to the interest, the association is the holder, if a dividend, distribution or
19 other sum payable as a result of the interest has remained unclaimed by the owner
20 for ~~7~~ 5 years and the owner has not done either of the following within ~~7~~ 5 years:

21 (2) At the expiration of a ~~7-year~~ 5-year period following the failure of the owner
22 to claim a dividend, distribution or other sum payable to the owner as a result of the
23 interest, the interest is not presumed abandoned unless there have been at least ~~7~~
24 5 dividends, distributions or other sums paid during the period, none of which has
25 been claimed by the owner. If ~~7~~ 5 dividends, distributions or other sums are paid

1 during the ~~7-year~~ 5-year period, the period leading to a presumption of
2 abandonment commences on the date on which payment of the first such unclaimed
3 dividend, distribution or other sum became due and payable. If ~~7~~ 5 dividends,
4 distributions or other sums are not paid during the presumptive period, the period
5 continues to run until there have been ~~7~~ 5 dividends, distributions or other sums that
6 have not been claimed by the owner.

7 (3) The running of the ~~7-year~~ 5-year period of abandonment ceases
8 immediately upon the occurrence of a communication specified under sub. (1). If any
9 future dividend, distribution or other sum payable to the owner as a result of the
10 interest is subsequently not claimed by the owner, a new period of abandonment
11 commences and relates back to the time a subsequent dividend, distribution or other
12 sum became due and payable.

13 **SECTION 4.** 177.10 (5) of the statutes is amended to read:

14 177.10 (5) This chapter does not apply to any stock or other intangible
15 ownership interest enrolled in a plan that provides for the automatic reinvestment
16 of dividends, distributions or other sums payable as a result of the interest unless
17 the records available to the administrator of the plan show, with respect to any
18 intangible ownership interest not enrolled in the reinvestment plan, that the owner
19 has not within ~~7~~ 5 years communicated in any manner specified under sub. (1).

****NOTE: Do you want to change the time period that the administrator is generally required to hold abandoned securities before selling them? See s. 177.22 (4), stats. In order to maintain the 10-year period between abandonment and sale that generally applies under current law, this statute would need to be amended to require the administrator to hold abandoned securities for 5 years before selling.

20 **SECTION 5.** 177.17 (title) of the statutes is amended to read:

21 177.17 (title) **Report Reporting, payment and delivery of abandoned**
22 **property.**

1 **SECTION 6.** 177.17 (4) of the statutes is renumbered 177.17 (4) (a) and amended
2 to read:

3 177.17 (4) (a) Before ~~May~~ November 1 of each ~~even-numbered~~ year, each
4 holder shall file a report covering the ~~2~~ previous calendar years year. Except as
5 provided in s. 177.06 (4), upon filing the report, the holder shall pay or deliver to the
6 administrator all abandoned property required to be reported. On written request
7 by any person required to file a report, the administrator may ~~postpone the reporting~~
8 date extend the deadline established in this paragraph.

****NOTE: Is this the way you intend to treat s. 177.06 (4), stats., in relation to s.
177.17 (4) (a), stats., or do you intend to eliminate the automatic extension of the delivery
date contained in s. 177.06 (4), stats.?

****NOTE: This bill requires annual reporting and delivery of abandoned property
by November 1. If these provisions are included in the budget bill and if the budget bill
is enacted before November 1, 2001, holders will be required to file their first annual
report by November 1, 2001. However, if these provisions are included in the budget bill
and if the budget bill is enacted *after* November 1, 2001, there will likely be difficulties
administering and enforcing the new requirements. For example, the first report would
likely not be due until November 1, 2002, and would only cover one calendar year. If you
are concerned that the budget bill may not be enacted until after November 1, 2001,
please let me (Rob Marchant) know and I can include a provision that delays the effect
of these changes until January 1, 2002, and that requires the first report filed by
November 1, 2002, to cover a 2-year period.

9 **SECTION 7.** 177.18 (title) of the statutes is amended to read:

10 **177.18 (title) Notice and publication of lists of abandoned or escheated**
11 **property.**

12 **SECTION 8.** 177.18 (1) of the statutes is amended to read:

13 177.18 (1) ~~The~~ Before July 1 of each year, the administrator shall publish a
14 notice entitled "Notice of names of persons appearing to be owners of abandoned
15 property" ~~not later than the September 20 following the report required under s.~~
16 ~~177.17.~~ Except as provided in sub. (1m), the notice shall include the name of each
17 person identified in a report filed under s. 177.17 since the publication of the previous
18 notice. The administrator shall publish the notice as a class 1 notice under ch. 985,

1 in a newspaper of general circulation in the county in which is located the
2 last-known address of the person to be named in the notice. If no address is listed
3 or the address is outside this state, the notice shall be published in the county in
4 which the holder of the property has its principal place of business within this state.

5 **SECTION 9.** 177.18 (2) (intro.) of the statutes is amended to read:

6 177.18 (2) (intro.) ~~The published~~ A notice under sub. (1) shall contain all of the
7 following:

8 **SECTION 10.** 177.18 (2) (c) of the statutes is repealed.

9 **SECTION 11.** 177.18 (2) (d) of the statutes is renumbered 177.18 (2m) and
10 amended to read:

11 177.18 (2m) For money or other property received under s. 852.01 (3), 863.37
12 (2) or 863.39 (1), ~~the~~ a notice shall be published at least annually in the official state
13 newspaper and shall include the name of the decedent, the time and place of the
14 decedent's death, the amount paid to the administrator, the name of the decedent's
15 personal representative, the county in which the estate is probated and a statement
16 that the money will be paid to the heirs or legatees without interest, on proof of
17 ownership, if claimed within 10 years from the date of publication as provided in s.
18 863.39 (3).

19 **SECTION 12.** 177.19 (title), (1) and (2) of the statutes are repealed.

20 **SECTION 13.** 177.19 (4) of the statutes is renumbered 177.17 (4) (b) and
21 amended to read:

22 177.17 (4) (b) The holder of an interest under s. 177.10 shall deliver to the
23 administrator, upon filing the report required under this section, a duplicate
24 certificate or other evidence of ownership if the holder does not issue certificates of
25 ownership. Upon delivery of a duplicate certificate to the administrator, the holder

1 and any transfer agent, registrar or other person acting for or on behalf of a holder
2 in executing or delivering the duplicate certificate are relieved of all liability, as
3 provided under s. 177.20, to any person, including any person acquiring the original
4 certificate or the duplicate of the certificate issued to the administrator, for any loss
5 or damage caused by the issuance and delivery of the duplicate certificate to the
6 administrator.

7 **SECTION 14.** 177.23 (1) of the statutes is amended to read:

8 177.23 (1) Except as provided in sub. (2), the administrator shall deposit in the
9 school fund all funds received under this chapter, including the clear proceeds from
10 the sale of abandoned property under s. 177.22. Before making the deposit, the
11 administrator shall record the name and last-known address of each person
12 appearing from the holders' reports to be entitled to the property and the name and
13 last-known address of each insured person or annuitant and beneficiary and, with
14 respect to each policy or contract listed in the report of an insurance company, its
15 number, the name of the company and the amount due. The information recorded
16 by the administrator under this subsection is not available for inspection or copying
17 under s. 19.35 (1) until 24 months after payment or delivery of the property is due
18 under s. ~~177.19 (1)~~ 177.17 (4) (a).

19 **SECTION 15.** 177.35 (2) of the statutes is amended to read:

20 177.35 (2) An agreement entered into under this section is not enforceable if
21 the agreement is entered into within 24 months after payment or delivery of the
22 property is due under s. ~~177.19 (1)~~ 177.17 (4) (a).

23 **SECTION 16.** 852.01 (3) of the statutes is amended to read:

24 852.01 (3) ESCHEAT. If there are no heirs of the decedent under subs. (1) and
25 (2), the net estate escheats to the state to be added to the capital of the school fund.

1 Claims on amounts escheated to the state may be made under s. 863.39 (3) within
2 10 years after the date of publication under s. 177.18 (2m). If a claimant resides
3 outside the United States or its territories, the court may require the personal
4 appearance of the claimant before the court.

****NOTE: This added language is the same as in s. 863.37 (2) (a), which is s. 863.37 (2) in this draft.

5 **SECTION 17.** 863.37 (2) (a) of the statutes is renumbered 863.37 (2) and
6 amended to read:

7 863.37 (2) Whenever payment of a legacy or a distributive share cannot be
8 made to the person entitled to payment or it appears that the person may not receive
9 or have the opportunity to obtain payment, the court may, on petition of a person
10 interested or on its own motion, order that the funds be paid or delivered to the state
11 treasurer for deposit as provided under s. 177.23. Claims on the funds may be made
12 under s. 863.39 (3) within 10 years after the date of publication under s. 177.18 (2m).
13 When a claimant to the funds resides outside the United States or its territories the
14 court may require the personal appearance of the claimant before the court.

****NOTE: Do you want to authorize the state treasurer to require the personal appearance of a foreign claimant?

15 **SECTION 18.** 863.37 (2) (b) of the statutes is repealed.

16 **SECTION 19.** 863.39 (3) (a) of the statutes is amended to read:

17 863.39 (3) (a) Within 10 years after the date of publication under s. 177.18 (2m),
18 any person claiming any amount deposited under sub. (1) or under s. 852.01 (3) or
19 863.37 (2) may file in the probate court in which the estate was settled a petition
20 alleging the basis of his or her claim. The court shall order a hearing upon the
21 petition, and 20 days' notice of the hearing and a copy of the petition shall be given
22 by the claimant to the department of revenue and to the attorney general, who may

1 appear for the state at the hearing. If the claim is established it shall be allowed
2 without interest, but including any increment which may have occurred on securities
3 held, and the court shall so certify to the department of administration, which shall
4 audit the claim. The state treasurer shall pay the claim out of the appropriation
5 under s. 20.585 (1) (j). Before issuing the order distributing the estate, the court shall
6 issue an order determining the death tax due, if any. If real property has been
7 adjudged to escheat to the state under s. 852.01 (3) the probate court which made the
8 adjudication may adjudge at any time before title has been transferred from the state
9 that the title shall be transferred to the proper owners under this subsection.

10 **SECTION 20.** 863.39 (3) (b) of the statutes is repealed.

11 **SECTION 21.** 863.39 (3) (bm) of the statutes is created to read:

12 863.39 (3) (bm) 1. Notwithstanding par. (a), any person claiming an amount
13 deposited under sub. (1) or under s. 852.01 (3) or 863.37 (2) that does not exceed
14 \$5,000 may, within 10 years after the date of publication under s. 177.18 (2m), file
15 with the state treasurer a claim on a form prescribed by the state treasurer and
16 verified by the claimant.

17 2. The state treasurer shall consider each claim within 90 days after it is filed
18 and may refer any claim to the attorney general for an opinion. For each claim
19 referred, the attorney general shall advise the state treasurer either to allow it or to
20 deny it in whole or in part. The state treasurer shall give written notice to the
21 claimant if the claim is denied in whole or in part. The notice may be given by mailing
22 it to the last address, if any, stated in the claim as the address of the claimant to which
23 notices are to be sent. If no address for notices is stated in the claim, the notice may
24 be mailed to the last address, if any, stated in the claim as the address of the claimant.

1 No notice of denial need be given if the claim fails to state either the last address to
2 which notices are to be sent or the address of the claimant.

3 3. If the state treasurer determines that the claim should be allowed, the state
4 treasurer shall provide written notice to, and obtain the written consents of, the
5 attorney general and the department of revenue. The state treasurer shall file with
6 the probate court in which the estate was settled written notice of the allowed claim,
7 as well as the consents of the attorney general and the department of revenue. The
8 probate court shall issue an order determining the death tax due, if any, and
9 requiring the state treasurer to pay the claim. The state treasurer shall pay the
10 claim, without interest but including any increment that may have occurred on
11 securities held, out of the appropriation account under s. 20.585 (1) (j).

****NOTE: I used much of the procedure for filing a claim under s. 177.24 as a model
for this procedure. Do you want any changes?

****NOTE: I wasn't sure if you wanted the claimant or the state treasurer to provide
the notices, obtain the consents and file the notice and consents with the court.

****NOTE: Do we need to specifically address real property?

****NOTE: Do you want to provide for an "appeal" to the court, as in s. 177.26, if the
treasurer disallows a claim?

12 **SECTION 22. Initial applicability.**

13 (1) PROHIBITED CHARGES. The treatment of section 177.06 (3) (b) of the statutes
14 first applies to property that is required to be listed in a report filed under section
15 177.17 of the statutes that is required to be filed by November 1, 2001.

16 (2) AGREEMENTS TO LOCATE PROPERTY. The treatment of section 177.35 (2) of the
17 statutes first applies to agreements entered into on the effective date of this
18 subsection.

****NOTE: The above initial applicability provision is intended to avoid a claim that
the changes to s. 177.35 (2), stats., unconstitutionally impair existing contracts.

19

(END)



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PMNR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

NOTE

Fix Request Sheet
BUDGET
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1 AN ACT relating to: abandoned property reporting, notice, payment, and
2 delivery requirements; abandoned stock and intangible business interests; and
3 creating a procedure for claiming certain escheated funds.

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT
COMMERCE

Under Wisconsin's version of the Uniform Unclaimed Property Act (UUPA), certain types of property are presumed to be abandoned if the owner of the property fails to take steps to evidence ownership within a specified time period (dormancy period). For example, a stock or other intangible ownership interest in a business association is presumed to be abandoned if the business association pays out at least seven dividends or other sums as a result of the ownership interest during a seven-year period and the dividends or sums are unclaimed by the owner.

With certain limited exceptions, the holder of property that is presumed to be abandoned must report the property to the state treasurer before May 1 of each even-numbered year. By September 20 following the report, the state treasurer must publish a list containing the names of persons appearing to be owners of abandoned property. By December 1, the holder must pay or deliver the reported property to the state treasurer, unless the owner has claimed the property or the presumption of abandonment is erroneous. The UUPA permits a person to enter into an abandoned property recovery contract, under which the person agrees to provide an owner of property, for a fee, with services toward the recovery of abandoned

property. However, an abandoned property recovery contract is not enforceable if it is entered into within two years after the date by which the abandoned property is required to be delivered to the state treasurer.

This bill changes the time-line for reporting and delivering to the state treasurer property that is presumed to be abandoned. Under this bill, with certain limited exceptions, the holder of property that is presumed to be abandoned must report and deliver the property to the state treasurer before November 1 of each year. The state treasurer must publish a notice containing the names of apparent owners of abandoned property by July 1 of each year.

This bill also shortens to five years the dormancy period that applies to a stock or other intangible ownership interest in a business association. In addition, under the bill, an abandoned property recovery contract is not enforceable if it is entered into within one year, rather than two years, after the date by which the abandoned property is required to be delivered to the state treasurer.

COURTS AND PROCEDURE

OTHER COURTS AND PROCEDURE

Under current law, if there are no heirs of a decedent in an intestate estate (an estate in which the decedent did not leave a will), or if a legacy or distributive share in an estate cannot be paid to the distributee or is not claimed by the distributee within 120 days after entry of the final judgment, the property escheats to the state and is paid or delivered to the state treasurer (treasurer). The treasurer must publish notice in the official state newspaper with such information as the name of the decedent, the time and place of death, the amount paid to the treasurer, and how a person may make a claim against the escheated property. Within ten years after the notice is published, a person may make a claim against the escheated property by filing a petition with the probate court that settled the estate and by sending copies of the petition to DOR and the attorney general. If the person establishes his or her claim in a court hearing, the court certifies the claim to DOA, which audits the claim; issues an order for any death tax due; and issues an order distributing the estate. The treasurer pays the claim.

The bill changes this procedure somewhat. The treasurer must publish a notice regarding escheated property at least annually (current law specifies no time requirement); a person filing a petition with the probate court must send a copy of the petition to the treasurer, instead of to DOR; the court is no longer required to certify a claim to DOA, which is no longer required to audit claims; and the court is no longer required to issue an order for any death tax due.

The bill also provides a new, optional procedure for making a claim against escheated property. The new procedure is similar to a procedure under current law for claiming abandoned property by filing a claim with the treasurer, except that under the new procedure the value of the claimed escheated property may not exceed \$5,000. Rather than filing a petition with the probate court, a person claiming escheated property of \$5,000 or less may, within ten years after publication by the treasurer of notice regarding the estate and the escheated property, file a claim with the treasurer, who must consider the claim within 90 days after filing. If the treasurer allows the claim, the treasurer must provide written notice to and obtain

the written consent of the attorney general and file written notice of the allowed claim, as well as the written consent of the attorney general, with the probate court that settled the estate. After the necessary filings, the probate court must issue an order requiring the treasurer to pay the claim. If the treasurer does not act on a claim within 90 days after the claim is filed, or if the treasurer disallows a claim, the person filing the claim may file an action in the probate court that settled the estate to establish the claim.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

1 **SECTION 1.** 177.06 (3) (b) of the statutes is amended to read:

2 177.06 (3) (b) Assess a service charge after December 31 of the 2nd calendar
3 year covered in the report filed under s. 177.17 concerning that property.

4 **SECTION 2.** 177.06 (4) of the statutes is amended to read:

5 177.06 (4) Any property described in sub. (1) that is automatically renewable
6 is matured for purposes of sub. (1) upon the expiration of its initial time period, or
7 after one year if the initial period is less than one year, except that in the case of any
8 renewal to which the owner consents at or about the time of renewal by
9 communicating in writing with the banking or financial organization or otherwise
10 indicating consent as evidenced by a memorandum or other record on file prepared
11 by an employee of the organization, the property is matured upon the expiration of
12 the last time period for which consent was given or one year from the date of the last
13 consent, whichever is longer. If, at the time provided for delivery in s. ~~177.19~~ 177.17
14 (4) (a), a penalty or forfeiture in the payment of interest would result from the
15 delivery of the property, the time for delivery is extended until the time when no
16 penalty or forfeiture would result.

17 **SECTION 3.** 177.10 (1) (intro.) of the statutes is amended to read:

1 177.10 (1) (intro.) Except as provided in subs. (2) and (5), any stock or other
2 intangible ownership interest in a business association, the existence of which is
3 evidenced by records available to the association, is presumed abandoned and, with
4 respect to the interest, the association is the holder, if a dividend, distribution or
5 other sum payable as a result of the interest has remained unclaimed by the owner
6 for 7 1/2 years and the owner has not done either of the following within 7 1/2 years:

7 **SECTION 4.** 177.10 (2) and (3) of the statutes are amended to read:

8 177.10 (2) At the expiration of a ~~7-year~~ 5-year period following the failure of
9 the owner to claim a dividend, distribution or other sum payable to the owner as a
10 result of the interest, the interest is not presumed abandoned unless there have been
11 at least 7 1/2 dividends, distributions or other sums paid during the period, none of
12 which has been claimed by the owner. If 7 1/2 dividends, distributions or other sums
13 are paid during the ~~7-year~~ 5-year period, the period leading to a presumption of
14 abandonment commences on the date on which payment of the first such unclaimed
15 dividend, distribution or other sum became due and payable. If 7 1/2 dividends,
16 distributions or other sums are not paid during the presumptive period, the period
17 continues to run until there have been 7 1/2 dividends, distributions or other sums that
18 have not been claimed by the owner.

19 (3) The running of the ~~7-year~~ 5-year period of abandonment ceases
20 immediately upon the occurrence of a communication specified under sub. (1). If any
21 future dividend, distribution or other sum payable to the owner as a result of the
22 interest is subsequently not claimed by the owner, a new period of abandonment
23 commences and relates back to the time a subsequent dividend, distribution or other
24 sum became due and payable.

25 **SECTION 5.** 177.10 (5) of the statutes is amended to read:

1 177.10 (5) This chapter does not apply to any stock or other intangible
2 ownership interest enrolled in a plan that provides for the automatic reinvestment
3 of dividends, distributions or other sums payable as a result of the interest unless
4 the records available to the administrator of the plan show, with respect to any
5 intangible ownership interest not enrolled in the reinvestment plan, that the owner
6 has not within 7 5 years communicated in any manner specified under sub. (1).

7 **SECTION 6.** 177.17 (title) of the statutes is amended to read:

8 **177.17 (title) Report Reporting, payment and delivery of abandoned**
9 **property.**

10 **SECTION 7.** 177.17 (4) of the statutes is renumbered 177.17 (4) (a) and amended
11 to read:

12 177.17 (4) (a) Before May November 1 of each ~~even-numbered~~ year, each
13 holder shall file a report covering the 2 previous calendar years year. Except as
14 provided in s. 177.06 (4), upon filing the report, the holder shall pay or deliver to the
15 administrator all abandoned property required to be reported. On written request
16 by any person required to file a report, the administrator may ~~postpone the reporting~~
17 date extend the deadline established in this paragraph.

18 **SECTION 8.** 177.18 (title) of the statutes is amended to read:

19 **177.18 (title) Notice and publication of lists of abandoned or escheated**
20 **property.**

21 **SECTION 9.** 177.18 (1) of the statutes is amended to read:

22 177.18 (1) The Before July 1 of each year, the administrator shall publish a
23 notice entitled "Notice of names of persons appearing to be owners of abandoned
24 property" ~~not later than the September 20 following the report required under s.~~
25 ~~177.17.~~ Except as provided in sub. (1m), the notice shall include the name of each

1 person identified in a report filed under s. 177.17 since the publication of the previous
2 notice. The administrator shall publish the notice as a class 1 notice under ch. 985,
3 in a newspaper of general circulation in the county in which is located the
4 last-known address of the person to be named in the notice. If no address is listed
5 or the address is outside this state, the notice shall be published in the county in
6 which the holder of the property has its principal place of business within this state.

7 **SECTION 10.** 177.18 (2) (intro.) of the statutes is amended to read:

8 177.18 (2) (intro.) The published A notice under sub. (1) shall contain all of the
9 following:

10 **SECTION 11.** 177.18 (2) (c) of the statutes is repealed.

11 **SECTION 12.** 177.18 (2) (d) of the statutes is renumbered 177.18 (2m) and
12 amended to read:

13 177.18 (2m) For money or other property received under s. 852.01 (3), 863.37
14 (2) or 863.39 (1), ~~the~~ a notice shall be published at least annually in the official state
15 newspaper and shall include the name of the decedent, the time and place of the
16 decedent's death, the amount paid to the administrator, the name of the decedent's
17 personal representative, the county in which the estate is probated and a statement
18 that the money will be paid to the heirs or legatees without interest, on proof of
19 ownership, if claimed within 10 years from the date of publication as provided in s.
20 863.39 (3).

21 **SECTION 13.** 177.19 (title), (1) and (2) of the statutes are repealed.

22 **SECTION 14.** 177.19 (4) of the statutes is renumbered 177.17 (4) (b) and
23 amended to read:

24 177.17 (4) (b) The holder of an interest under s. 177.10 shall deliver to the
25 administrator, upon filing the report required under this section, a duplicate

1 certificate or other evidence of ownership if the holder does not issue certificates of
2 ownership. Upon delivery of a duplicate certificate to the administrator, the holder
3 and any transfer agent, registrar or other person acting for or on behalf of a holder
4 in executing or delivering the duplicate certificate are relieved of all liability, as
5 provided under s. 177.20, to any person, including any person acquiring the original
6 certificate or the duplicate of the certificate issued to the administrator, for any loss
7 or damage caused by the issuance and delivery of the duplicate certificate to the
8 administrator.

9 **SECTION 15.** 177.23 (1) of the statutes is amended to read:

10 177.23 (1) Except as provided in sub. (2), the administrator shall deposit in the
11 school fund all funds received under this chapter, including the clear proceeds from
12 the sale of abandoned property under s. 177.22. Before making the deposit, the
13 administrator shall record the name and last-known address of each person
14 appearing from the holders' reports to be entitled to the property and the name and
15 last-known address of each insured person or annuitant and beneficiary and, with
16 respect to each policy or contract listed in the report of an insurance company, its
17 number, the name of the company and the amount due. The information recorded
18 by the administrator under this subsection is not available for inspection or copying
19 under s. 19.35 (1) until 24 months after payment or delivery of the property is due
20 under s. ~~177.19 (1)~~ 177.17 (4) (a).

21 **SECTION 16.** 177.24 (2) of the statutes is amended to read:

22 177.24 (2) The administrator shall consider each claim within 90 days after it
23 is filed and may refer any claim to the attorney general for an opinion. For each claim
24 referred, the attorney general shall advise the administrator either to allow it or to
25 deny it in whole or in part. The administrator shall give written notice to the

1 claimant if the claim is denied in whole or in part. The notice ~~may~~ shall be given by
2 mailing it to the last address, if any, stated in the claim as the address to which
3 notices are to be sent. If no address for notices is stated in the claim, the notice ~~may~~
4 shall be mailed to the last address, if any, ~~of the claimant as stated in the claim as~~
5 the address of the claimant. No notice of denial need be given if the claim fails to state
6 either the last address to which notices are to be sent or the address of the claimant.

7 **SECTION 17.** 177.35 (2) of the statutes is amended to read:

8 177.35 (2) An agreement entered into under this section is not enforceable if
9 the agreement is entered into within ~~24~~ 12 months after payment or delivery of the
10 property is due under s. ~~177.19 (1)~~ 177.17 (4) (a).

11 **SECTION 18.** 852.01 (3) of the statutes is amended to read:

12 852.01 (3) ESCHEAT. If there are no heirs of the decedent under subs. (1) and
13 (2), the net estate escheats to the state to be added to the capital of the school fund.
14 Claims on amounts escheated to the state may be made under s. 863.39 (3) within
15 10 years after the date of publication under s. 177.18 (2m). If a claimant resides
16 outside the United States or its territories, the court may require the personal
17 appearance of the claimant before the court.

18 **SECTION 19.** 863.37 (2) (a) of the statutes is renumbered 863.37 (2) and
19 amended to read:

20 863.37 (2) Whenever payment of a legacy or a distributive share cannot be
21 made to the person entitled to payment or it appears that the person may not receive
22 or have the opportunity to obtain payment, the court may, on petition of a person
23 interested or on its own motion, order that the funds be paid or delivered to the state
24 treasurer for deposit as provided under s. 177.23. Claims on the funds may be made
25 under s. 863.39 (3) within 10 years after the date of publication under s. 177.18 (2m).

1 When a claimant to the funds resides outside the United States or its territories the
2 court may require the personal appearance of the claimant before the court.

3 SECTION 20. 863.37 (2) (b) of the statutes is repealed.

4 SECTION 21. 863.39 (3) (a) of the statutes is amended to read:

5 863.39 (3) (a) Within 10 years after the date of publication under s. 177.18 (2m),
6 any person claiming any amount deposited under sub. (1) or under s. 852.01 (3) or
7 863.37 (2) may file in the probate court in which the estate was settled a petition
8 alleging the basis of his or her claim. The court shall order a hearing upon the
9 petition, and 20 days' notice of the hearing and a copy of the petition shall be given
10 by the claimant to the ~~department of revenue~~ state treasurer and to the attorney
11 general, who may appear for the state at the hearing. If the claim is established it
12 shall be allowed without interest, but including any increment which may have
13 occurred on securities held, ~~and the court shall so certify to the department of~~
14 ~~administration, which shall audit the claim.~~ The state treasurer shall pay the claim
15 out of the appropriation under s. 20.585 (1) (j). ~~Before issuing the order distributing~~
16 ~~the estate, the court shall issue an order determining the death tax due, if any.~~ If real
17 property has been adjudged to escheat to the state under s. 852.01 (3) the probate
18 court ~~which that~~ made the adjudication may adjudge at any time before title has been
19 transferred from the state that the title shall be transferred to the proper owners
20 under this subsection.

****NOTE: Why do you not want the department of revenue to receive a copy of the
petition, and why do you not want the court to issue an order determining the death tax,
if any?

21 SECTION 22. 863.39 (3) (b) of the statutes is repealed.

22 SECTION 23. 863.39 (3) (bm) of the statutes is created to read:

1 863.39 (3) (bm) 1. Notwithstanding par. (a), any person claiming an amount
2 deposited under sub. (1) or under s. 852.01 (3) or 863.37 (2) that does not exceed
3 \$5,000 may, within 10 years after the date of publication under s. 177.18 (2m), file
4 with the state treasurer a claim on a form prescribed by the state treasurer and
5 verified by the claimant.

6 2. The state treasurer shall consider each claim within 90 days after it is filed
7 and may refer any claim to the attorney general for an opinion. For each claim
8 referred, the attorney general shall advise the state treasurer either to allow it or to
9 deny it in whole or in part. The state treasurer shall give written notice to the
10 claimant if the claim is denied in whole or in part. The notice shall be given by
11 mailing it to the last address, if any, stated in the claim as the address of the claimant
12 to which notices are to be sent. If no address for notices is stated in the claim, the
13 notice shall be mailed to the last address, if any, stated in the claim as the address
14 of the claimant. No notice of denial need be given if the claim fails to state either the
15 last address to which notices are to be sent or the address of the claimant.

16 3. If the state treasurer determines that the claim should be allowed, the state
17 treasurer shall provide written notice to, and obtain the written consent of, the
18 attorney general. The state treasurer shall file with the probate court in which the
19 estate was settled written notice of the allowed claim, as well as the written consent
20 of the attorney general. The probate court shall issue an order requiring the state
21 treasurer to pay the claim. The state treasurer shall pay the claim, without interest
22 but including any increment that may have occurred on securities held, out of the
23 appropriation account under s. 20.585 (1) (j).

24 4. A person aggrieved by a decision of the state treasurer under this paragraph,
25 or whose claim has not been acted upon by the state treasurer within 90 days after

1 its filing under subd. 1., may bring an action to establish the claim in the probate
2 court in which the estate was settled. The action shall be brought within 90 days
3 after the decision of the state treasurer or within 180 days after the filing of the claim
4 if the state treasurer has failed to act on it. If the person establishes the claim in the
5 action, the court shall award the person costs and reasonable attorney fees against
6 the state treasurer.

****NOTE: In subd. 3., why do you not want the court to issue an order determining
the death tax, if any?

7 **SECTION 9153. Nonstatutory provisions; treasurer.**

8 (1) REPORT OF ABANDONED PROPERTY. Notwithstanding section 177.17 (4) (a) of
9 the statutes, as affected by this act, if this subsection takes effect after October 31,
10 2001, the report due under section 177.17 (4) (a) of the statutes, as affected by this
11 act, by November 1, 2002, shall cover the 2 preceding calendar years.

12 (2) SERVICE CHARGES CONCERNING ABANDONED PROPERTY. Notwithstanding
13 section 177.06 (3) (b) of the statutes, as affected by this act, if this subsection takes
14 effect after October 31, 2001, a holder may assess a service charge on or before
15 December 31 of the 2nd calendar year covered in the report required by November
16 1, 2002, under section 177.17 (4) (a) of the statutes, as affected by this act, with
17 respect to any property that is described in section 177.06 (1) of the statutes and that
18 is required to be listed in the report.

19 **SECTION 9353. Initial applicability; treasurer.**

20 (1) AGREEMENTS TO LOCATE PROPERTY. The treatment of section 177.35 (2) of the
21 statutes first applies to agreements entered into on the effective date of this
22 subsection.

****NOTE: The above initial applicability provision is intended to avoid a claim that the changes to s. 177.35 (2), stats., unconstitutionally impair existing contracts.

(END)

1

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0658/1dn

RJM.....

gjs

Dateline

Jeff Geisler:

Attached is the draft you requested relating to unclaimed property. The draft is based upon LRB-0109/P1. However, as I indicated in my phone message to you, this draft contains several changes to LRB-1019/P1 that were communicated to me by the treasurer's office. If you have any questions, please feel free to call. These changes are:

1. A nonstatutory provision to take into account the possibility that the budget bill will not be enacted until after October 31, 2001. Another method of dealing with this problem would be to delay the effective date of this draft to January 1, 2002, and require the report due on November 1, 2002, to cover ^{two} calendar years. Please let me know if you would prefer to use this method.

2. The amendments to s. 177.24 (2) in current law.

3. In s. 863.39 (3) (a) in current law, elimination of notice to DOR (the notice ~~also~~ goes to the state treasurer instead); elimination of certification to DOA, along with DOA's audit of an allowed claim; and elimination of an order by the court determining death tax due, if any.

3. In s. 863.39 (3) (bm) 3. (created in the bill), elimination of notice to DOR, along with requiring DOR's written consent to allow a claim, and elimination of an order by the court determining death tax due, if any, before ordering that the claim be paid.

4. The addition of s. 863.39 (3) (bm) 4. (created in the bill), which gives a right to a court hearing if a claim is denied or if the treasurer fails to act in a timely manner.

Robert J. Marchant
Legislative Attorney
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~~Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.state.wi.us~~

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0658/1dn
RJM:cjs:rs

October 5, 2000

Jeff Geisler:

Attached is the draft you requested relating to unclaimed property. The draft is based upon LRB-0109/P1. However, as I indicated in my phone message to you, this draft contains several changes to LRB-1019/P1 that were communicated to me by the treasurer's office. If you have any questions, please feel free to call. These changes are:

1. A nonstatutory provision to take into account the possibility that the budget bill will not be enacted until after October 31, 2001. Another method of dealing with this problem would be to delay the effective date of this draft to January 1, 2002, and require the report due on November 1, 2002, to cover two calendar years. Please let me know if you would prefer to use this method.
2. The amendments to s. 177.24 (2) in current law.
3. In s. 863.39 (3) (a) in current law, elimination of notice to DOR (the notice goes to the state treasurer instead); elimination of certification to DOA, along with DOA's audit of an allowed claim; and elimination of an order by the court determining death tax due, if any.
3. In s. 863.39 (3) (bm) 3. (created in the bill), elimination of notice to DOR, along with requiring DOR's written consent to allow a claim, and elimination of an order by the court determining death tax due, if any, before ordering that the claim be paid.
4. The addition of s. 863.39 (3) (bm) 4. (created in the bill), which gives a right to a court hearing if a claim is denied or if the treasurer fails to act in a timely manner.

Robert J. Marchant
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State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-0658/2
RJM&PJK:GIS

nm is run + jld

DOA:.....Geisler - Unclaimed property

FOR 2001-03 BUDGET -- NOT READY FOR INTRODUCTION

*SOON
(2-6)
D-note*

LPS - check auto refs

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- 1 AN ACT ~~x~~; relating to: abandoned property reporting, notice, payment, and
- 2 delivery requirements; abandoned stock and intangible business interests; and
- 3 creating a procedure for claiming certain escheated funds.

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT

COMMERCE

Under Wisconsin's version of the Uniform Unclaimed Property Act (UUPA), certain types of property are presumed to be abandoned if the owner of the property fails to take steps to evidence ownership within a specified time period (dormancy period). For example, a stock or other intangible ownership interest in a business association is presumed to be abandoned if the business association pays out at least seven dividends or other sums as a result of the ownership interest during a seven-year period and the dividends or sums are unclaimed by the owner.

With certain limited exceptions, the holder of property that is presumed to be abandoned must report the property to the state treasurer before May 1 of each even-numbered year. By September 20 following the report, the state treasurer must publish a list containing the names of persons appearing to be owners of abandoned property. By December 1, the holder must pay or deliver the reported property to the state treasurer, unless the owner has claimed the property or the presumption of abandonment is erroneous. The UUPA permits a person to enter into

an abandoned property recovery contract, under which the person agrees to provide an owner of property, for a fee, with services toward the recovery of abandoned property. However, an abandoned property recovery contract is not enforceable if it is entered into within two years after the date by which the abandoned property is required to be delivered to the state treasurer.

This bill changes the time-line for reporting and delivering to the state treasurer property that is presumed to be abandoned. Under this bill, with certain limited exceptions, the holder of property that is presumed to be abandoned must report and deliver the property to the state treasurer before November 1 of each year. The state treasurer must publish a notice containing the names of apparent owners of abandoned property by July 1 of each year.

This bill also shortens to five years the dormancy period that applies to a stock or other intangible ownership interest in a business association. In addition, under the bill, an abandoned property recovery contract is not enforceable if it is entered into within one year, rather than two years, after the date by which the abandoned property is required to be delivered to the state treasurer.

COURTS AND PROCEDURE

OTHER COURTS AND PROCEDURE

Under current law, if there are no heirs of a decedent in an intestate estate (an estate in which the decedent did not leave a will), or if a legacy or distributive share in an estate cannot be paid to the distributee or is not claimed by the distributee within 120 days after entry of the final judgment, the property escheats to the state and is paid or delivered to the state treasurer (treasurer). The treasurer must publish notice in the official state newspaper with such information as the name of the decedent, the time and place of death, the amount paid to the treasurer, and how a person may make a claim against the escheated property. Within ten years after the notice is published, a person may make a claim against the escheated property by filing a petition with the probate court that settled the estate and by sending copies of the petition to DOR and the attorney general. If the person establishes his or her claim in a court hearing, the court certifies the claim to DOA, which audits the claim; issues an order for any death tax due; and issues an order distributing the estate. The treasurer pays the claim.

The bill changes this procedure somewhat. The treasurer must publish a notice regarding escheated property at least annually (current law specifies no time requirement); a person filing a petition with the probate court must send a copy of the petition to the treasurer, instead of to DOR; the court is no longer required to certify a claim to DOA, which is no longer required to audit claims; and the court is no longer required to issue an order for any death tax due.

The bill also provides a new, optional procedure for making a claim against escheated property. The new procedure is similar to a procedure under current law for claiming abandoned property by filing a claim with the treasurer, except that under the new procedure the value of the claimed escheated property may not exceed \$5,000. Rather than filing a petition with the probate court, a person claiming escheated property of \$5,000 or less may, within ten years after publication by the treasurer of notice regarding the estate and the escheated property, file a claim with

the treasurer, who must consider the claim within 90 days after filing. If the treasurer allows the claim, the treasurer must provide written notice to and obtain the written consent of the attorney general and file written notice of the allowed claim, as well as the written consent of the attorney general, with the probate court that settled the estate. After the necessary filings, the probate court must issue an order requiring the treasurer to pay the claim. If the treasurer does not act on a claim within 90 days after the claim is filed, or if the treasurer disallows a claim, the person filing the claim may file an action in the probate court that settled the estate to establish the claim.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

1 **SECTION 1.** 177.06 (3) (b) of the statutes is amended to read:

2 177.06 (3) (b) Assess a service charge after December 31 of the 2nd calendar
3 year covered in the report filed under s. 177.17 concerning that property.

4 **SECTION 2.** 177.06 (4) of the statutes is amended to read:

5 177.06 (4) Any property described in sub. (1) that is automatically renewable
6 is matured for purposes of sub. (1) upon the expiration of its initial time period, or
7 after one year if the initial period is less than one year, except that in the case of any
8 renewal to which the owner consents at or about the time of renewal by
9 communicating in writing with the banking or financial organization or otherwise
10 indicating consent as evidenced by a memorandum or other record on file prepared
11 by an employee of the organization, the property is matured upon the expiration of
12 the last time period for which consent was given or one year from the date of the last
13 consent, whichever is longer. If, at the time provided for delivery in s. ~~177.19~~ 177.17
14 (4) (a), a penalty or forfeiture in the payment of interest would result from the
15 delivery of the property, the time for delivery is extended until the time when no
16 penalty or forfeiture would result.

1 **SECTION 3.** 177.10 (1) (intro.) of the statutes is amended to read:

2 177.10 (1) (intro.) Except as provided in subs. (2) and (5), any stock or other
3 intangible ownership interest in a business association, the existence of which is
4 evidenced by records available to the association, is presumed abandoned and, with
5 respect to the interest, the association is the holder, if a dividend, distribution or
6 other sum payable as a result of the interest has remained unclaimed by the owner
7 for ~~7~~ 5 years and the owner has not done either of the following within ~~7~~ 5 years:

8 **SECTION 4.** 177.10 (2) and (3) of the statutes are amended to read:

9 177.10 (2) At the expiration of a ~~7-year~~ 5-year period following the failure of
10 the owner to claim a dividend, distribution or other sum payable to the owner as a
11 result of the interest, the interest is not presumed abandoned unless there have been
12 at least ~~7~~ 5 dividends, distributions or other sums paid during the period, none of
13 which has been claimed by the owner. If ~~7~~ 5 dividends, distributions or other sums
14 are paid during the ~~7-year~~ 5-year period, the period leading to a presumption of
15 abandonment commences on the date on which payment of the first such unclaimed
16 dividend, distribution or other sum became due and payable. If ~~7~~ 5 dividends,
17 distributions or other sums are not paid during the presumptive period, the period
18 continues to run until there have been ~~7~~ 5 dividends, distributions or other sums that
19 have not been claimed by the owner.

20 (3) The running of the ~~7-year~~ 5-year period of abandonment ceases
21 immediately upon the occurrence of a communication specified under sub. (1). If any
22 future dividend, distribution or other sum payable to the owner as a result of the
23 interest is subsequently not claimed by the owner, a new period of abandonment
24 commences and relates back to the time a subsequent dividend, distribution or other
25 sum became due and payable.

1 SECTION 5. 177.10 (5) of the statutes is amended to read:

2 177.10 (5) This chapter does not apply to any stock or other intangible
3 ownership interest enrolled in a plan that provides for the automatic reinvestment
4 of dividends, distributions or other sums payable as a result of the interest unless
5 the records available to the administrator of the plan show, with respect to any
6 intangible ownership interest not enrolled in the reinvestment plan, that the owner
7 has not within 7 1/2 years communicated in any manner specified under sub. (1).

8 SECTION 6. 177.17 (title) of the statutes is amended to read:

9 177.17 (title) ~~Report Reporting, payment and delivery of abandoned~~
10 ~~property.~~

11 SECTION 7. 177.17 (4) of the statutes is renumbered 177.17 (4) (a) and amended
12 to read:

13 177.17 (4) (a) Before ~~May~~ November 1 of each ~~even-numbered~~ year, each
14 holder shall file a report covering the ~~2~~ previous calendar years year. ~~Except as~~
15 ~~provided in s. 177.06 (4), upon filing the report, the holder shall pay or deliver to the~~
16 ~~administrator all abandoned property required to be reported. On written request~~
17 ~~by any person required to file a report, the administrator may postpone the reporting~~
18 ~~date extend the deadline established in this paragraph.~~

19 SECTION 8. 177.18 (title) of the statutes is amended to read:

20 177.18 (title) Notice and publication of lists of abandoned or escheated
21 property.

22 SECTION 9. 177.18 (1) of the statutes is amended to read:

23 177.18 (1) ~~The~~ Before July 1 of each year, the administrator shall publish a
24 notice entitled "Notice of names of persons appearing to be owners of abandoned
25 property" not later than the September 20 following the report required under s.

Insert 5-11

e

1 177.17. Except as provided in sub. (1m), the notice shall include the name of each
2 person identified in a report filed under s. 177.17 since the publication of the previous
3 notice. The administrator shall publish the notice as a class 1 notice under ch. 985,
4 in a newspaper of general circulation in the county in which is located the
5 last-known address of the person to be named in the notice. If no address is listed
6 or the address is outside this state, the notice shall be published in the county in
7 which the holder of the property has its principal place of business within this state.

8 SECTION 10. 177.18 (2) (intro.) of the statutes is amended to read:

9 177.18 (2) (intro.) ~~The published A~~ notice under sub. (1) shall contain all of the
10 following:

11 SECTION 11. 177.18 (2) (c) of the statutes is repealed.

12 SECTION 12. 177.18 (2) (d) of the statutes is renumbered 177.18 (2m) and
13 amended to read:

14 177.18 (2m) For money or other property received under s. 852.01 (3), 863.37
15 (2) or 863.39 (1), ~~the a~~ notice shall be published at least annually in the official state
16 newspaper and shall include the name of the decedent, the time and place of the
17 decedent's death, the amount paid to the administrator, the name of the decedent's
18 personal representative, the county in which the estate is probated and a statement
19 that the money will be paid to the heirs or legatees without interest, on proof of
20 ownership, if claimed within 10 years from the date of publication as provided in s.
21 863.39 (3).

22 SECTION 13. 177.19 (title), (1) and (2) of the statutes are repealed.

23 SECTION 14. 177.19 (4) of the statutes is renumbered 177.17 (4) (b) and
24 amended to read:

1 177.17 (4) (b) The holder of an interest under s. 177.10 shall deliver to the
2 administrator, upon filing the report required under this section, a duplicate
3 certificate or other evidence of ownership if the holder does not issue certificates of
4 ownership. Upon delivery of a duplicate certificate to the administrator, the holder
5 and any transfer agent, registrar or other person acting for or on behalf of a holder
6 in executing or delivering the duplicate certificate are relieved of all liability, as
7 provided under s. 177.20, to any person, including any person acquiring the original
8 certificate or the duplicate of the certificate issued to the administrator, for any loss
9 or damage caused by the issuance and delivery of the duplicate certificate to the
10 administrator.

11 **SECTION 15.** 177.23 (1) of the statutes is amended to read:

12 177.23 (1) Except as provided in sub. (2), the administrator shall deposit in the
13 school fund all funds received under this chapter, including the clear proceeds from
14 the sale of abandoned property under s. 177.22. Before making the deposit, the
15 administrator shall record the name and last-known address of each person
16 appearing from the holders' reports to be entitled to the property and the name and
17 last-known address of each insured person or annuitant and beneficiary and, with
18 respect to each policy or contract listed in the report of an insurance company, its
19 number, the name of the company and the amount due. The information recorded
20 by the administrator under this subsection is not available for inspection or copying
21 under s. 19.35 (1) until 24 months after payment or delivery of the property is due
22 under s. ~~177.19 (1)~~ 177.17 (4) (a).

23 **SECTION 16.** 177.24 (2) of the statutes is amended to read:

24 177.24 (2) The administrator shall consider each claim within 90 days after it
25 is filed and may refer any claim to the attorney general for an opinion. For each claim

1 referred, the attorney general shall advise the administrator either to allow it or to
2 deny it in whole or in part. The administrator shall give written notice to the
3 claimant if the claim is denied in whole or in part. The notice ~~may~~ shall be given by
4 mailing it to the last address, if any, stated in the claim as the address to which
5 notices are to be sent. If no address for notices is stated in the claim, the notice ~~may~~
6 shall be mailed to the last address, if any, ~~of the claimant as stated in the claim as~~
7 the address of the claimant. No notice of denial need be given if the claim fails to state
8 either the last address to which notices are to be sent or the address of the claimant.

9 **SECTION 17.** 177.35 (2) of the statutes is ^{renumbered 177.35(2)(a) and} amended to read:

10 177.35 (2) ^(a) An agreement entered into under this section is not enforceable if
11 the agreement is entered into within ~~24~~ 12 months after payment or delivery of the
12 property is due under s. ~~177.19 (1)~~ 177.17 (4) (a).

13 **SECTION 18.** 852.01 (3) of the statutes is amended to read:

14 852.01 (3) **ESCHEAT.** If there are no heirs of the decedent under subs. (1) and
15 (2), the net estate escheats to the state to be added to the capital of the school fund.
16 Claims on amounts escheated to the state may be made under s. 863.39 (3) within
17 10 years after the date of publication under s. 177.18 (2m). If a claimant resides
18 outside the United States or its territories, the court may require the personal
19 appearance of the claimant before the court.

20 **SECTION 19.** 863.37 (2) (a) of the statutes is renumbered 863.37 (2) and
21 amended to read:

22 863.37 (2) Whenever payment of a legacy or a distributive share cannot be
23 made to the person entitled to payment or it appears that the person may not receive
24 or have the opportunity to obtain payment, the court may, on petition of a person
25 interested or on its own motion, order that the funds be paid or delivered to the state

Change component

Insert 8-12

1 treasurer for deposit as provided under s. 177.23. Claims on the funds may be made
2 under s. 863.39 (3) within 10 years after the date of publication under s. 177.18 (2m).
3 When a claimant to the funds resides outside the United States or its territories the
4 court may require the personal appearance of the claimant before the court.

5 SECTION 20. 863.37 (2) (b) of the statutes is repealed.

6 SECTION 21. 863.39 (3) (a) of the statutes is amended to read:

7 863.39 (3) (a) Within 10 years after the date of publication under s. 177.18 (2m),
8 any person claiming any amount deposited under sub. (1) or under s. 852.01 (3) or
9 863.37 (2) may file in the probate court in which the estate was settled a petition
10 alleging the basis of his or her claim. The court shall order a hearing upon the
11 petition, and 20 days' notice of the hearing and a copy of the petition shall be given
12 by the claimant to the ~~department of revenue~~ state treasurer and to the attorney
13 general, who may appear for the state at the hearing. If the claim is established it
14 shall be allowed without interest, but including any increment which may have
15 occurred on securities held, ~~and the court shall so certify to the department of~~
16 ~~administration, which shall audit the claim.~~ The state treasurer shall pay the claim
17 out of the appropriation under s. 20.585 (1) (j). ~~Before issuing the order distributing~~
18 ~~the estate, the court shall issue an order determining the death tax due, if any.~~ If real
19 property has been adjudged to escheat to the state under s. 852.01 (3) the probate
20 court ~~which that~~ made the adjudication may adjudge at any time before title has been
21 transferred from the state that the title shall be transferred to the proper owners
22 under this subsection.

✓
***NOTE: Why do you not want the department of revenue to receive a copy of the
petition, and why do you not want the court to issue an order determining the death tax
if any?

23 SECTION 22. 863.39 (3) (b) of the statutes is repealed.

1 **SECTION 23.** 863.39 (3) (bm) of the statutes is created to read:

2 863.39 (3) (bm) 1. Notwithstanding par. (a), any person claiming an amount
3 deposited under sub. (1) or under s. 852.01 (3) or 863.37 (2) that does not exceed
4 \$5,000 may, within 10 years after the date of publication under s. 177.18 (2m), file
5 with the state treasurer a claim on a form prescribed by the state treasurer and
6 verified by the claimant.

7 2. The state treasurer shall consider each claim within 90 days after it is filed
8 and may refer any claim to the attorney general for an opinion. For each claim
9 referred, the attorney general shall advise the state treasurer either to allow it or to
10 deny it in whole or in part. The state treasurer shall give written notice to the
11 claimant if the claim is denied in whole or in part. The notice shall be given by
12 mailing it to the last address, if any, stated in the claim as the address of the claimant
13 to which notices are to be sent. If no address for notices is stated in the claim, the
14 notice shall be mailed to the last address, if any, stated in the claim as the address
15 of the claimant. No notice of denial need be given if the claim fails to state either the
16 last address to which notices are to be sent or the address of the claimant.

17 3. If the state treasurer determines that the claim should be allowed, the state
18 treasurer shall provide written notice to, and obtain the written consent of, the
19 attorney general. The state treasurer shall file with the probate court in which the
20 estate was settled written notice of the allowed claim, as well as the written consent
21 of the attorney general. The probate court shall issue an order requiring the state
22 treasurer to pay the claim. The state treasurer shall pay the claim, without interest
23 but including any increment that may have occurred on securities held, out of the
24 appropriation account under s. 20.585 (1) (j).

1 4. A person aggrieved by a decision of the state treasurer under this paragraph,
 2 or whose claim has not been acted upon by the state treasurer within 90 days after
 3 its filing under subd. 1., may bring an action to establish the claim in the probate
 4 court in which the estate was settled. The action shall be brought within 90 days
 5 after the decision of the state treasurer or within 180 days after the filing of the claim
 6 if the state treasurer has failed to act on it. If the person establishes the claim in the
 7 action, the court shall award the person costs and reasonable attorney fees against
 8 the state treasurer.

~~***NOTE: In subd. 3, why do you not want the court to issue an order determining the death tax, if any?~~

9 **SECTION 9153. Nonstatutory provisions; treasurer.**

10 (1) REPORT OF ABANDONED PROPERTY. Notwithstanding section 177.17 (4) (a) of
 11 the statutes, as affected by this act, if this subsection takes effect after October 31,
 12 2001, the report due under section 177.17 (4) (a) of the statutes, as affected by this
 13 act, by November 1, 2002, shall cover the 2 preceding calendar years.

14 (2) SERVICE CHARGES CONCERNING ABANDONED PROPERTY. Notwithstanding
 15 section 177.06 (3) (b) of the statutes, as affected by this act, if this subsection takes
 16 effect after October 31, 2001, a holder may assess a service charge on or before
 17 December 31 of the 2nd calendar year covered in the report required by November
 18 1, 2002, under section 177.17 (4) (a) of the statutes, as affected by this act, with
 19 respect to any property that is described in section 177.06 (1) of the statutes and that
 20 is required to be listed in the report.

21 **SECTION 9353. Initial applicability; treasurer.**

Insert 11-13

Insert 11-20

CS OTHER THAN SUPPORT

renumbering and amendment

1 (1) AGREEMENTS TO LOCATE PROPERTY The ~~provision~~ of section 177.35 (2) of the
2 statutes first applies to agreements entered into on the effective date of this
3 subsection.

****NOTE: The above initial applicability provision is intended to avoid a claim that
the changes to s. 177.35 (2), stats., unconstitutionally impair existing contracts.

(END)

Insert 12-3

~~NOTE~~ - note
This redraft removes the embedded
NOTES.

PJK

note

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0658/2insR
RJM:.....

INSERT 5-11

1 SECTION 1. 177.17 (4) of the statutes is renumbered 177.17 (4) (a) 1. and
2 amended to read:

3 177.17 (4) (a) 1. Before ~~May~~ November 1 of each ~~even-numbered~~ year, each
4 holder shall file a report covering the ~~2~~ previous calendar ~~years~~ year. On written
5 request by any person required to file a report, the administrator may ~~postpone~~ the
6 ~~reporting date~~ extend the deadline established in this paragraph.

****NOTE: This is reconciled s. 177.17 (4) (a) 1. This SECTION has been affected by
drafts with the following LRB numbers: LRB-0530 and LRB-0658. This SECTION is
necessary in order to incorporate proposed s. 177.19 (2) (b) from LRB-0530 into the proper
location in LRB-0658.

7 SECTION 2. 177.17 (4) (a) 2. of the statutes is created to read:

8 177.17 (4) (a) 2. Except as otherwise provided in this subdivision and s. 177.06
9 (4), upon filing the report under subd. 1., the holder shall pay or deliver to the
10 administrator all abandoned property required to be reported. This subdivision does
11 not apply to abandoned property that is in the form of amounts credited under s.
12 20.912 (1) to the support collections trust fund or amounts not distributable from the
13 support collections trust fund to the persons for whom the amounts were awarded.

****NOTE: This is reconciled s. 177.17 (4) (a) 2. This SECTION has been affected by
drafts with the following LRB numbers: LRB-0530 and LRB-0658. This SECTION
incorporates proposed s. 177.19 (2) (b) from LRB-0530 into the proper location in
LRB-0658.

INSERT 8-12

****NOTE: This is reconciled s. 177.35 (2) (a). This SECTION has been affected by
drafts with the following LRB numbers: LRB-0658/1 and LRB-0530/1.

(END OF INSERT 8-12)

INSERT 11-13

a.r.
✓
****NOTE: This is reconciled SECTION 9153 (1). This SECTION has been affected by drafts with the following LRB numbers: LRB-0530 and LRB-0658. This SECTION corrects the cross-reference as necessary to incorporate proposed s. 177.19 (2) (b) from LRB-0530 into the proper location in LRB-0658.

INSERT 11-20

a.r.
✓
****NOTE: This is reconciled SECTION 9153 (2). This SECTION has been affected by drafts with the following LRB numbers: LRB-0530 and LRB-0658. This SECTION corrects a cross-reference as necessary to incorporate proposed s. 177.19 (2) (b) from LRB-0530 into the proper location in LRB-0658.

INSERT 12-3

a.r.
✓
****NOTE: This is reconciled SECTION 9353 (1). This SECTION has been affected by drafts with the following LRB numbers: LRB-0530 and LRB-0658. This SECTION corrects the title and the text of the provision as necessary to distinguish this SECTION from the initial applicability provision for s. 177.35 (2) (b) in LRB-0530.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0658/2dn
RJM&PJK:sp:rs

jld

and
Robert Blaine ~~and~~ (Jeff Geisler) keep

This redraft removes embedded notes and reconciles LRB-0658/1 and LRB-0530/1.
Both drafts should continue to appear in the compiled bill.

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DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0658/2dn
RJM&PJK:jld:ch

February 6, 2001

Jeff Geisler and Robert Blaine:

This redraft removes embedded notes and reconciles LRB-0658/1 and LRB-0530/1.
Both drafts should continue to appear in the compiled bill.

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State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-0658/2
RJM&PJK:cjs:ch

DOA:.....Geisler – Unclaimed property

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

- 1 **AN ACT ...; relating to:** abandoned property reporting, notice, payment, and
2 delivery requirements; abandoned stock and intangible business interests; and
3 creating a procedure for claiming certain escheated funds.

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT

COMMERCE

Under Wisconsin's version of the Uniform Unclaimed Property Act (UUPA), certain types of property are presumed to be abandoned if the owner of the property fails to take steps to evidence ownership within a specified time period (dormancy period). For example, a stock or other intangible ownership interest in a business association is presumed to be abandoned if the business association pays out at least seven dividends or other sums as a result of the ownership interest during a seven-year period and the dividends or sums are unclaimed by the owner.

With certain limited exceptions, the holder of property that is presumed to be abandoned must report the property to the state treasurer before May 1 of each even-numbered year. By September 20 following the report, the state treasurer must publish a list containing the names of persons appearing to be owners of abandoned property. By December 1, the holder must pay or deliver the reported property to the state treasurer, unless the owner has claimed the property or the presumption of abandonment is erroneous. The UUPA permits a person to enter into

an abandoned property recovery contract, under which the person agrees to provide an owner of property, for a fee, with services toward the recovery of abandoned property. However, an abandoned property recovery contract is not enforceable if it is entered into within two years after the date by which the abandoned property is required to be delivered to the state treasurer.

This bill changes the time line for reporting and delivering to the state treasurer property that is presumed to be abandoned. Under this bill, with certain limited exceptions, the holder of property that is presumed to be abandoned must report and deliver the property to the state treasurer before November 1 of each year. The state treasurer must publish a notice containing the names of apparent owners of abandoned property by July 1 of each year.

This bill also shortens to five years the dormancy period that applies to a stock or other intangible ownership interest in a business association. In addition, under the bill, an abandoned property recovery contract is not enforceable if it is entered into within one year, rather than two years, after the date by which the abandoned property is required to be delivered to the state treasurer.

COURTS AND PROCEDURE

OTHER COURTS AND PROCEDURE

Under current law, if there are no heirs of a decedent in an intestate estate (an estate in which the decedent did not leave a will), or if a legacy or distributive share in an estate cannot be paid to the distributee or is not claimed by the distributee within 120 days after entry of the final judgment, the property escheats to the state and is paid or delivered to the state treasurer (treasurer). The treasurer must publish notice in the official state newspaper with such information as the name of the decedent, the time and place of death, the amount paid to the treasurer, and how a person may make a claim against the escheated property. Within ten years after the notice is published, a person may make a claim against the escheated property by filing a petition with the probate court that settled the estate and by sending copies of the petition to DOR and the attorney general. If the person establishes his or her claim in a court hearing, the court certifies the claim to DOA, which audits the claim; issues an order for any death tax due; and issues an order distributing the estate. The treasurer pays the claim.

The bill changes this procedure somewhat. The treasurer must publish a notice regarding escheated property at least annually (current law specifies no time requirement); a person filing a petition with the probate court must send a copy of the petition to the treasurer, instead of to DOR; the court is no longer required to certify a claim to DOA, which is no longer required to audit claims; and the court is no longer required to issue an order for any death tax due.

The bill also provides a new, optional procedure for making a claim against escheated property. The new procedure is similar to a procedure under current law for claiming abandoned property by filing a claim with the treasurer, except that under the new procedure the value of the claimed escheated property may not exceed \$5,000. Rather than filing a petition with the probate court, a person claiming escheated property of \$5,000 or less may, within ten years after publication by the treasurer of notice regarding the estate and the escheated property, file a claim with

the treasurer, who must consider the claim within 90 days after filing. If the treasurer allows the claim, the treasurer must provide written notice to and obtain the written consent of the attorney general and file written notice of the allowed claim, as well as the written consent of the attorney general, with the probate court that settled the estate. After the necessary filings, the probate court must issue an order requiring the treasurer to pay the claim. If the treasurer does not act on a claim within 90 days after the claim is filed, or if the treasurer disallows a claim, the person filing the claim may file an action in the probate court that settled the estate to establish the claim.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

1 **SECTION 1.** 177.06 (3) (b) of the statutes is amended to read:

2 177.06 (3) (b) Assess a service charge after December 31 of the ~~2nd~~ calendar
3 year covered in the report filed under s. 177.17 concerning that property.

4 **SECTION 2.** 177.06 (4) of the statutes is amended to read:

5 177.06 (4) Any property described in sub. (1) that is automatically renewable
6 is matured for purposes of sub. (1) upon the expiration of its initial time period, or
7 after one year if the initial period is less than one year, except that in the case of any
8 renewal to which the owner consents at or about the time of renewal by
9 communicating in writing with the banking or financial organization or otherwise
10 indicating consent as evidenced by a memorandum or other record on file prepared
11 by an employee of the organization, the property is matured upon the expiration of
12 the last time period for which consent was given or one year from the date of the last
13 consent, whichever is longer. If, at the time provided for delivery in s. ~~177.19~~ 177.17
14 (4) (a), a penalty or forfeiture in the payment of interest would result from the
15 delivery of the property, the time for delivery is extended until the time when no
16 penalty or forfeiture would result.

1 **SECTION 3.** 177.10 (1) (intro.) of the statutes is amended to read:

2 177.10 (1) (intro.) Except as provided in subs. (2) and (5), any stock or other
3 intangible ownership interest in a business association, the existence of which is
4 evidenced by records available to the association, is presumed abandoned and, with
5 respect to the interest, the association is the holder, if a dividend, distribution or
6 other sum payable as a result of the interest has remained unclaimed by the owner
7 for 7 1/2 years and the owner has not done either of the following within 7 1/2 years:

8 **SECTION 4.** 177.10 (2) and (3) of the statutes are amended to read:

9 177.10 (2) At the expiration of a ~~7-year~~ 5-year period following the failure of
10 the owner to claim a dividend, distribution or other sum payable to the owner as a
11 result of the interest, the interest is not presumed abandoned unless there have been
12 at least 7 1/2 dividends, distributions or other sums paid during the period, none of
13 which has been claimed by the owner. If 7 1/2 dividends, distributions or other sums
14 are paid during the ~~7-year~~ 5-year period, the period leading to a presumption of
15 abandonment commences on the date on which payment of the first such unclaimed
16 dividend, distribution or other sum became due and payable. If 7 1/2 dividends,
17 distributions or other sums are not paid during the presumptive period, the period
18 continues to run until there have been 7 1/2 dividends, distributions or other sums that
19 have not been claimed by the owner.

20 (3) The running of the ~~7-year~~ 5-year period of abandonment ceases
21 immediately upon the occurrence of a communication specified under sub. (1). If any
22 future dividend, distribution or other sum payable to the owner as a result of the
23 interest is subsequently not claimed by the owner, a new period of abandonment
24 commences and relates back to the time a subsequent dividend, distribution or other
25 sum became due and payable.

1 **SECTION 5.** 177.10 (5) of the statutes is amended to read:

2 177.10 (5) This chapter does not apply to any stock or other intangible
3 ownership interest enrolled in a plan that provides for the automatic reinvestment
4 of dividends, distributions or other sums payable as a result of the interest unless
5 the records available to the administrator of the plan show, with respect to any
6 intangible ownership interest not enrolled in the reinvestment plan, that the owner
7 has not within ~~7~~ 5 years communicated in any manner specified under sub. (1).

8 **SECTION 6.** 177.17 (title) of the statutes is amended to read:

9 **177.17 (title) Report Reporting, payment, and delivery of abandoned**
10 **property.**

11 **SECTION 7.** 177.17 (4) of the statutes is renumbered 177.17 (4) (a) 1. and
12 amended to read:

13 177.17 (4) (a) 1. Before ~~May~~ November 1 of each ~~even-numbered~~ year, each
14 holder shall file a report covering the ~~2~~ previous calendar years year. On written
15 request by any person required to file a report, the administrator may ~~postpone~~ the
16 reporting date extend the deadline established in this paragraph.

 ***NOTE: This is reconciled s. 177.17 (4) (a) 1. This SECTION has been affected by
drafts with the following LRB numbers: LRB-0530 and LRB-0658. This SECTION is
necessary in order to incorporate proposed s. 177.19 (2) (b) from LRB-0530 into the proper
location in LRB-0658.

17 **SECTION 8.** 177.17 (4) (a) 2. of the statutes is created to read:

18 177.17 (4) (a) 2. Except as otherwise provided in this subdivision and s. 177.06
19 (4), upon filing the report under subd. 1., the holder shall pay or deliver to the
20 administrator all abandoned property required to be reported. This subdivision does
21 not apply to abandoned property that is in the form of amounts credited under s.
22 20.912 (1) to the support collections trust fund or amounts not distributable from the
23 support collections trust fund to the persons for whom the amounts were awarded.

****NOTE: This is reconciled s. 177.17 (4) (a) 2. This SECTION has been affected by drafts with the following LRB numbers: LRB-0530 and LRB-0658. This SECTION incorporates proposed s. 177.19 (2) (b) from LRB-0530 into the proper location in LRB-0658.

1 **SECTION 9.** 177.18 (title) of the statutes is amended to read:

2 **177.18 (title) Notice and publication of lists of abandoned or escheated**
3 **property.**

4 **SECTION 10.** 177.18 (1) of the statutes is amended to read:

5 177.18 (1) The Before July 1 of each year, the administrator shall publish a
6 notice entitled "Notice of names of persons appearing to be owners of abandoned
7 property" ~~not later than the September 20 following the report required under s.~~
8 ~~177.17.~~ Except as provided in sub. (1m), the notice shall include the name of each
9 person identified in a report filed under s. 177.17 since the publication of the previous
10 notice. The administrator shall publish the notice as a class 1 notice under ch. 985,
11 in a newspaper of general circulation in the county in which is located the
12 last-known address of the person to be named in the notice. If no address is listed
13 or the address is outside this state, the notice shall be published in the county in
14 which the holder of the property has its principal place of business within this state.

15 **SECTION 11.** 177.18 (2) (intro.) of the statutes is amended to read:

16 177.18 (2) (intro.) ~~The published~~ A notice under sub. (1) shall contain all of the
17 following:

18 **SECTION 12.** 177.18 (2) (c) of the statutes is repealed.

19 **SECTION 13.** 177.18 (2) (d) of the statutes is renumbered 177.18.(2m) and
20 amended to read:

21 177.18 (2m) For money or other property received under s. 852.01 (3), 863.37
22 (2) or 863.39 (1), ~~the~~ a notice shall be published at least annually in the official state
23 newspaper and shall include the name of the decedent, the time and place of the

1 decedent's death, the amount paid to the administrator, the name of the decedent's
2 personal representative, the county in which the estate is probated and a statement
3 that the money will be paid to the heirs or legatees without interest, on proof of
4 ownership, if claimed within 10 years from the date of publication as provided in s.
5 863.39 (3).

6 **SECTION 14.** 177.19 (title), (1) and (2) of the statutes are repealed.

7 **SECTION 15.** 177.19 (4) of the statutes is renumbered 177.17 (4) (b) and
8 amended to read:

9 177.17 (4) (b) The holder of an interest under s. 177.10 shall deliver to the
10 administrator, upon filing the report required under this section, a duplicate
11 certificate or other evidence of ownership if the holder does not issue certificates of
12 ownership. Upon delivery of a duplicate certificate to the administrator, the holder
13 and any transfer agent, registrar or other person acting for or on behalf of a holder
14 in executing or delivering the duplicate certificate are relieved of all liability, as
15 provided under s. 177.20, to any person, including any person acquiring the original
16 certificate or the duplicate of the certificate issued to the administrator, for any loss
17 or damage caused by the issuance and delivery of the duplicate certificate to the
18 administrator.

19 **SECTION 16.** 177.23 (1) of the statutes is amended to read:

20 177.23 (1) Except as provided in sub. (2), the administrator shall deposit in the
21 school fund all funds received under this chapter, including the clear proceeds from
22 the sale of abandoned property under s. 177.22. Before making the deposit, the
23 administrator shall record the name and last-known address of each person
24 appearing from the holders' reports to be entitled to the property and the name and
25 last-known address of each insured person or annuitant and beneficiary and, with

1 respect to each policy or contract listed in the report of an insurance company, its
2 number, the name of the company and the amount due. The information recorded
3 by the administrator under this subsection is not available for inspection or copying
4 under s. 19.35 (1) until 24 months after payment or delivery of the property is due
5 under s. 177.19 (1) 177.17 (4) (a).

6 **SECTION 17.** 177.24 (2) of the statutes is amended to read:

7 177.24 (2) The administrator shall consider each claim within 90 days after it
8 is filed and may refer any claim to the attorney general for an opinion. For each claim
9 referred, the attorney general shall advise the administrator either to allow it or to
10 deny it in whole or in part. The administrator shall give written notice to the
11 claimant if the claim is denied in whole or in part. The notice ~~may~~ shall be given by
12 mailing it to the last address, if any, stated in the claim as the address to which
13 notices are to be sent. If no address for notices is stated in the claim, the notice ~~may~~
14 shall be mailed to the last address, if any, ~~of the claimant as stated in the claim as~~
15 the address of the claimant. No notice of denial need be given if the claim fails to state
16 either the last address to which notices are to be sent or the address of the claimant.

17 **SECTION 18.** 177.35 (2) of the statutes is renumbered 177.35 (2) (a) amended
18 to read:

19 177.35 (2) (a) An agreement entered into under this section is not enforceable
20 if the agreement is entered into within ~~24~~ 12 months after payment or delivery of the
21 property is due under s. ~~177.19 (1)~~ 177.17 (4) (a).

****NOTE: This is reconciled s. 177.35 (2) (a). This SECTION has been affected by
drafts with the following LRB numbers: LRB-0658/1 and LRB-0530/1.

22 **SECTION 19.** 852.01 (3) of the statutes is amended to read:

1 852.01 (3) ESCHEAT. If there are no heirs of the decedent under subs. (1) and
2 (2), the net estate escheats to the state to be added to the capital of the school fund.
3 Claims on amounts escheated to the state may be made under s. 863.39 (3) within
4 10 years after the date of publication under s. 177.18 (2m). If a claimant resides
5 outside the United States or its territories, the court may require the personal
6 appearance of the claimant before the court.

7 **SECTION 20.** 863.37 (2) (a) of the statutes is renumbered 863.37 (2) and
8 amended to read:

9 863.37 (2) Whenever payment of a legacy or a distributive share cannot be
10 made to the person entitled to payment or it appears that the person may not receive
11 or have the opportunity to obtain payment, the court may, on petition of a person
12 interested or on its own motion, order that the funds be paid or delivered to the state
13 treasurer for deposit as provided under s. 177.23. Claims on the funds may be made
14 under s. 863.39 (3) within 10 years after the date of publication under s. 177.18 (2m).
15 When a claimant to the funds resides outside the United States or its territories the
16 court may require the personal appearance of the claimant before the court.

17 **SECTION 21.** 863.37 (2) (b) of the statutes is repealed.

18 **SECTION 22.** 863.39 (3) (a) of the statutes is amended to read:

19 863.39 (3) (a) Within 10 years after the date of publication under s. 177.18 (2m),
20 any person claiming any amount deposited under sub. (1) or under s. 852.01 (3) or
21 863.37 (2) may file in the probate court in which the estate was settled a petition
22 alleging the basis of his or her claim. The court shall order a hearing upon the
23 petition, and 20 days' notice of the hearing and a copy of the petition shall be given
24 by the claimant to the ~~department of revenue~~ state treasurer and to the attorney
25 general, who may appear for the state at the hearing. If the claim is established it

1 shall be allowed without interest, but including any increment which may have
2 occurred on securities held, ~~and the court shall so certify to the department of~~
3 ~~administration, which shall audit the claim.~~ The state treasurer shall pay the claim
4 out of the appropriation under s. 20.585 (1) (j). ~~Before issuing the order distributing~~
5 ~~the estate, the court shall issue an order determining the death tax due, if any.~~ If real
6 property has been adjudged to escheat to the state under s. 852.01 (3) the probate
7 court ~~which~~ that made the adjudication may adjudge at any time before title has been
8 transferred from the state that the title shall be transferred to the proper owners
9 under this subsection.

10 **SECTION 23.** 863.39 (3) (b) of the statutes is repealed.

11 **SECTION 24.** 863.39 (3) (bm) of the statutes is created to read:

12 863.39 (3) (bm) 1. Notwithstanding par. (a), any person claiming an amount
13 deposited under sub. (1) or under s. 852.01 (3) or 863.37 (2) that does not exceed
14 \$5,000 may, within 10 years after the date of publication under s. 177.18 (2m), file
15 with the state treasurer a claim on a form prescribed by the state treasurer and
16 verified by the claimant.

17 2. The state treasurer shall consider each claim within 90 days after it is filed
18 and may refer any claim to the attorney general for an opinion. For each claim
19 referred, the attorney general shall advise the state treasurer either to allow it or to
20 deny it in whole or in part. The state treasurer shall give written notice to the
21 claimant if the claim is denied in whole or in part. The notice shall be given by
22 mailing it to the last address, if any, stated in the claim as the address of the claimant
23 to which notices are to be sent. If no address for notices is stated in the claim, the
24 notice shall be mailed to the last address, if any, stated in the claim as the address

1 of the claimant. No notice of denial need be given if the claim fails to state either the
2 last address to which notices are to be sent or the address of the claimant.

3 3. If the state treasurer determines that the claim should be allowed, the state
4 treasurer shall provide written notice to, and obtain the written consent of, the
5 attorney general. The state treasurer shall file with the probate court in which the
6 estate was settled written notice of the allowed claim, as well as the written consent
7 of the attorney general. The probate court shall issue an order requiring the state
8 treasurer to pay the claim. The state treasurer shall pay the claim, without interest
9 but including any increment that may have occurred on securities held, out of the
10 appropriation account under s. 20.585 (1) (j).

11 4. A person aggrieved by a decision of the state treasurer under this paragraph,
12 or whose claim has not been acted upon by the state treasurer within 90 days after
13 its filing under subd. 1., may bring an action to establish the claim in the probate
14 court in which the estate was settled. The action shall be brought within 90 days
15 after the decision of the state treasurer or within 180 days after the filing of the claim
16 if the state treasurer has failed to act on it. If the person establishes the claim in the
17 action, the court shall award the person costs and reasonable attorney fees against
18 the state treasurer.

19 **SECTION 9153. Nonstatutory provisions; treasurer.**

20 (1) REPORT OF ABANDONED PROPERTY. Notwithstanding section 177.17 (4) (a) 1.
21 of the statutes, as affected by this act, if this subsection takes effect after October 31,
22 2001, the report due under section 177.17 (4) (a) 1. of the statutes, as affected by this
23 act, by November 1, 2002, shall cover the 2 preceding calendar years.

****NOTE: This is reconciled SECTION 9153 (1). This SECTION has been affected by
drafts with the following LRB numbers: LRB-0530 and LRB-0658. This SECTION

corrects the cross-reference as necessary to incorporate proposed s. 177.19 (2) (b) from LRB-0530 into the proper location in LRB-0658.

1 (2) SERVICE CHARGES CONCERNING ABANDONED PROPERTY. Notwithstanding
2 section 177.06 (3) (b) of the statutes, as affected by this act, if this subsection takes
3 effect after October 31, 2001, a holder may assess a service charge on or before
4 December 31 of the 2nd calendar year covered in the report required by November
5 1, 2002, under section 177.17 (4) (a) 1. of the statutes, as affected by this act, with
6 respect to any property that is described in section 177.06 (1) of the statutes and that
7 is required to be listed in the report.

****NOTE: This is reconciled SECTION 9153 (2). This SECTION has been affected by drafts with the following LRB numbers: LRB-0530 and LRB-0658. This SECTION corrects a cross-reference as necessary to incorporate proposed s. 177.19 (2) (b) from LRB-0530 into the proper location in LRB-0658.

8 **SECTION 9353. Initial applicability; treasurer.**

9 (1) AGREEMENTS TO LOCATE PROPERTY OTHER THAN SUPPORT. The renumbering and
10 amendment of section 177.35 (2) of the statutes first applies to agreements entered
11 into on the effective date of this subsection.

****NOTE: This is reconciled SECTION 9353 (1). This SECTION has been affected by drafts with the following LRB numbers: LRB-0530 and LRB-0658. This SECTION corrects the title and the text of the provision as necessary to distinguish this SECTION from the initial applicability provision for s. 177.35 (2) (b) in LRB-0530.