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0041 Disposition of Unclaimed Property in Colorado

Report to the Colorado General Assembly:

DISPOSITION OF UNCLAIMED PROPERTY IN COLORADO



COLORADO LEGISLATIVE COUNCIL

RESEARCH PUBLICATION NO 41

November 1960

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OF THE
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The Legislative Council, which is composed of five Senators, six Representatives, and the presiding officers of the two houses, serves as a continuing research agency for the legislature through the maintenance of a trained staff. Between sessions, research activities are concentrated on the study of relatively broad problems formally proposed by legislators, and the publication and distribution of factual reports to aid in their solution.

During the sessions, the emphasis is on supplying legislators, on individual request, with personal memoranda, providing them with information needed to handle their own legislative problems. Reports and memoranda both give pertinent data in the form of facts, figures, arguments, and alternatives.

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DISPOSITION OF UNCLAIMED PROPERTY
IN COLORADO

LEGISLATIVE COUNCIL
REPORT TO THE
COLORADO GENERAL ASSEMBLY

Research Publication No. 41
November, 1960

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November 18, 1960

To Members of the Forty-third Colorado General Assembly:

As directed by the terms of House Joint Resolution No. 30, 1959 session, the Legislative Council submits herewith its report and recommendations for a comprehensive disposition of unclaimed property act.

The committee appointed by the Legislative Council to complete this study submitted its report for consideration at the Council's meeting November 17. At that time the report was adopted, with minor amendments, for transmission to the Forty-third General Assembly.

Respectfully submitted,

Charles Conklin
Chairman

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DENVER 2, COLORADO
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November 10, 1960

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REP. ALBERT J. TOMSIC

Honorable Charles Conklin, Chairman
Colorado Legislative Council
State Capitol
Denver 2, Colorado

Dear Mr. Chairman:

Your committee appointed to carry out the directives of House Joint Resolution No. 30, 1959 session, relating to escheat laws, has completed its assignment and submits herewith its report of findings and recommendations.

H.J.R. No. 30 specifically instructed the committee "to study this problem of unclaimed property with the objective of recommending legislation that will consolidate all the escheat provisions and make uniform the disposition of unclaimed property regardless of source, kind, or amount." Consequently, the committee devoted much of its attention to the question of proposed legislation and includes herein a draft thereof.

In this connection, the committee appreciates the cooperation extended it by the various organizations and associations interested in this matter; the members especially want to thank those banks and savings and loan associations who participated in the committee's survey of the amount of inactive and abandoned accounts located in their institutions.

Respectfully submitted,

Albert J. Tomsic, Chairman

FOREWORD

Prior to the committee's appointment, the staff, under direction of the Council, contacted all banks and savings and loan associations in this state to ascertain the amount and age of inactive and abandoned accounts in their possession. In addition, the staff compared the provisions of the "Uniform Disposition of Unclaimed Property Act" with the laws of the 48 states and subsequently verified this report with the states concerned for use in the preparation of a bill.

Committee members appointed were Representative Albert J. Tomsic, chairman; Senator Neal D. Bishop, vice chairman; Senator Vernon A. Cheever and Representatives John L. Kane and John D. Vanderhoof. Miss Clair T. Sippel, secretary of the Legislative Reference Office, had the primary responsibility for preparing the bill draft; Phillip E. Jones, senior research analyst, had the primary responsibility for preparation of the research material, assisted by David Morrissey, research assistant.

November 11, 1960

Lyle C. Kyle
Director

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COMMITTEE FINDINGS AND RECOMMENDATIONS

The present laws of Colorado regarding the disposition of unclaimed property are neither comprehensive in coverage nor uniform in establishing procedures to be followed. One constitutional provision, Article IX, Section 5, requires that all estates which escheat to the state be made part of the permanent school fund and until their transfer to the permanent school fund after a period of 21 years, the proceeds from these estates are under the administration of the State Treasurer (Section 152-14-14, 1953 Colorado Revised Statutes).

One statutory provision, Section 14-21-1 (3), 1953 C.R.S., as amended, states that, in the voluntary liquidation of banks, all unclaimed funds are to be transmitted to the Commissioner of Banking who after six years transmits any remaining unclaimed funds to the treasurer of the county in which the bank was located. After the lapse of another six years, those funds left after all valid claims have been paid are transferred to the county's general fund.

In all cases where there has been an overcharge by a public utility, another statute prevails, requiring that any ordered refunds which remain unclaimed revert either to the municipality where the individual due the money had lived or to the county concerned if the individual had lived outside a municipality (Section 115-8-1, 1953 C.R.S.). After receiving any such refunds, the municipality or county is liable for the proper payment thereof for a period of three years before acquiring title to these unclaimed funds.

A third statutory provision provides that any unclaimed dividends of a voluntarily liquidated savings and loan association may be turned over to the State Commissioner of Savings and Loan Associations who, after six years, will transmit the unclaimed residue to the State Treasurer (Section 122-2-32, 1953 C.R.S.). After a period of another 21 years, the state acquires title and the remaining amounts are transferred to the state general fund.

House Bill No. 113 of the 1959 session was introduced to provide Colorado with a uniform disposition of unclaimed property act. This measure, which did not pass, would have required several categories of individuals or organizations holding unclaimed property to file a report with the State Treasurer on any such property held unclaimed over a period of seven years (nine years as amended). All funds received under the act would have been deposited in the state general fund, with the exception of a \$25,000 trust fund for the payment of valid claims.

House Joint Resolution No. 30, 1959 session, was introduced as a result of H.B. No. 113 not being enacted. One major reason reported for the bill not passing was because of the doubt existing as to the amount of unclaimed funds in Colorado banks and other financial institutions. As may be noted subsequently, this report contains estimates on the amount of abandoned accounts in Colorado banks and savings and loan associations.

Comparison of "Uniform Act" with Laws of the 48 States

In 1955, the Drafting Committee of State Officials of the Council of State Governments developed a "Uniform Disposition of Unclaimed Property Act" and included this draft in its "Suggested State Legislation Program for 1955." At that time, ten states were reported as having comprehensive legislation covering the entire field of unclaimed property, both tangible and intangible, as follows: Arkansas, Connecticut, Kentucky, Massachusetts, Michigan, New Jersey, New York, North Carolina, Oregon, and Pennsylvania.

A 1960 comparison of the laws of the 48 states, reported in Table I, shows that the following six states may now be included with those states previously mentioned as having adopted comprehensive legislation in regard to unclaimed property: Arizona, California, Delaware, New Mexico, Utah, and Washington. That is, the laws of all 16 of these states include at least seven of the 12 suggested legislative provisions checked in Table I.

As shown in Table I, the laws of the 48 states were reviewed to determine if they include any of the following 12 provisions (number of states having such provision listed in parenthesis):

- 1) Unclaimed property held by banking or other financial institution (22 states)
- 2) Unclaimed funds held by life insurance companies (15 states)
- 3) Unclaimed deposits and refunds held by public utilities (15 states)
- 4) Undistributed dividends and distributions of business associations (17 states)
- 5) Unclaimed property of business associations or banking or other financial institutions held in course of dissolution (30 states)
- 6) Unclaimed property held by fiduciaries (24 states)

- 7) Unclaimed property held by state courts and other public agencies (31 states)
- 8) Miscellaneous personal property held for another person (17 states)
- 9) Unclaimed property of a person who dies intestate without heirs (44 states)
- 10) Reciprocity between states provided (5 states)
- 11) Annual report required of abandoned property (20 states)
- 12) Penalties provided for failure to fulfill requirements under law (14 states)

The number of provisions noted in the various laws range from 12 (in five states) to none (in one state). Colorado's law includes five of the 12 provisions, but in two instances these relate to unclaimed property escheating to local political subdivisions and not to the state. Listed below are the number of provisions reported, the number of states having these provisions, and the names of the states.

Laws Include:

<u>No. of Provisions</u>	<u>No. of States Having</u>	<u>Names of States</u>
12	5	Arizona, New Mexico, Oregon, Utah, Washington
11	3	Michigan, New Jersey, Pennsylvania
10	3	California, New York, North Carolina
9	1	Massachusetts
8	2	Connecticut, Kentucky
7	2	Arkansas, Delaware
6	3	Nevada, Wisconsin, Wyoming
5	5	Colorado, Florida, Louisiana, Missouri, Tennessee
4	2	Maine, Minnesota
3	6	Idaho, Illinois, Indiana, Montana, New Hampshire, Oklahoma
2	6	Alabama, Kansas, Ohio, South Dakota, Vermont, Virginia
1	9	Georgia, Iowa, Maryland, Mississippi, Nebraska, North Dakota, South Carolina, Texas, West Virginia
0	1	Rhode Island

The "Uniform Disposition of Unclaimed Property Act" proposes seven years uniformly as the length of time before unclaimed property is presumed to be abandoned. However, most states in enacting the same or similar provisions to the uniform act have

not followed the suggested seven-year figure. Moreover, many of the states have not used a uniform period for the different property classifications but have inserted figures ranging from 30 years down to two years as the length of time before property is considered as abandoned.

The following tabulation lists the eight classes of property included in the uniform act and the various periods used by states in presuming each type to be abandoned or before finally escheating to the state or other governmental unit.

Period of Time Before Being
Considered Abandoned Property

1. Unclaimed property held by banking or other financial institution:

- 30 years - Connecticut (10 years if \$5 or less)
- 25 years - Delaware, Kentucky (only deposits other than demand)
- 22 years - Maine
- 21 years - Pennsylvania (only deposits in mutual banks)
- 20 years - Maryland, Minnesota, New Jersey, Vermont, Wisconsin
- 15 years - California, New York
- 14 years - Massachusetts
- 12 years - Utah, Washington
- 10 years - Kentucky (demand deposits only), Louisiana, New Mexico, Pennsylvania (demand and time deposits only)
- 7 years - Arizona, Michigan, Nevada, Oregon, Pennsylvania (trusts and property held for safekeeping only)
- 5 years - North Carolina
- 3 years - Pennsylvania (only debts and interest on debts and dividends payable)

2. Unclaimed funds held by life insurance companies:

- 10 years - New Jersey, New Mexico
- 7 years - Arizona, California, Connecticut, Delaware, Massachusetts, Michigan, Nevada, New York, North Carolina, Oregon, Pennsylvania, Utah, Washington

3. Unclaimed deposits and refunds held by public utilities:

- 14 years - Massachusetts
- 10 years - New Mexico (deposits only)
- 7 years - Arizona, Michigan, New Mexico (refunds only), Oregon, Washington
- 6 years - Pennsylvania

5 years - Missouri, New Jersey, New York
3 years - Utah
2 years - Nevada, North Carolina, Oklahoma
Set by court - Colorado

4. Undistributed dividends and distributions of business associations:

15 years - California
14 years - Massachusetts
10 years - New Mexico
7 years - Arizona, Arkansas, Connecticut, Michigan,
Oregon, Utah, Washington
6 years - Pennsylvania
5 years - New Jersey, North Carolina, Wyoming
2 years - Kentucky (pari-mutuel tickets)
120 days - Louisiana (pari-mutuel tickets)
If unredeemed - Florida (pari-mutuel tickets)

5. Unclaimed property of business associations or banking or other financial institutions held in course of dissolution:

15 years - Delaware (except banks), New Hampshire
10 years - South Dakota, Wisconsin
7 years - Arizona, Arkansas, Kentucky
6 years - Colorado, Missouri
5 years - Nevada (banks in receivership only), New
Jersey, North Carolina
4 years - Delaware (banks only), New York
2 years - California, Illinois, New Mexico, Oregon,
Utah, Washington
1 year - Oklahoma
6 months after final distribution - Alabama, Nevada
(banks in voluntary liquidation only),
Ohio
30 days after final distribution - Florida
No specific date - Indiana, Pennsylvania

6. Unclaimed property held by fiduciaries:

21 years - Missouri
20 years - Delaware
15 years - New York
14 years - Massachusetts
10 years - New Mexico
7 years - Arizona, Arkansas, California, Michigan,
Oregon, Pennsylvania, Tennessee, Utah,
Washington
5 years - Connecticut, New Jersey, North Carolina,
Wyoming
2 years - Montana
120 days - Wisconsin
60 days - Idaho
30 days - Florida
By order of court - Colorado, Maine

7. Unclaimed property held by state courts and other public agencies:

- 20 years - Delaware
- 15 years - New Hampshire
- 14 years - Massachusetts
- 10 years - Indiana, Louisiana, New Mexico, New York
- 7 years - Arizona, Arkansas, California, Illinois, Michigan, Oregon, Pennsylvania, Tennessee, Utah, Washington
- 5 years - Florida, Kentucky, Minnesota, Missouri, New Jersey, North Carolina, Virginia, Wisconsin, Wyoming
- 2 years - Kansas, Montana
- 18 months - Idaho
- 1 year - Connecticut
- By order of court - Colorado, Nevada

8. Miscellaneous personal property held for another person:

- 14 years - New Jersey
- 10 years - Kentucky, New Mexico
- 7 years - Arizona, Arkansas, California, Connecticut, Michigan, Oregon, Pennsylvania, Utah (safe deposit box contents, stock certificates), Washington
- 6 years - New York
- 5 years - North Carolina (generally), Utah (cashier's checks), Wyoming
- 3 years - Louisiana
- 1 year - North Carolina (unclaimed wages and salaries only)

COMPARISON OF 48 STATE ESCHEAT LAW OR
CUSTODIAL UNCLAIMED PROPERTY LAW PROVISIONS

Statutory Escheat or Custodial Provisions Regarding the Following:	Ala.	Ari.	Ark.	Calif.	Colo.	H.B. 113, 1959 Session, as introduced	Conn.	Del.	Fla.	Ga.	Id.	Ill.	Ind.	Ia.	Kans.	Ky.	La.	Me.	Md.
1. Unclaimed property held by banking or other financial institution		X		X		X	X	X								X	X	X	X
2. Unclaimed funds held by life insurance companies		X		X		X	X	X											
3. Unclaimed deposits and refunds held by public utilities		X			X ¹	X													
4. Undistributed dividends and distributions of business associations		X	X	X		X	X		X ²							X ²	X ²		
5. Unclaimed property of business associations or banking or other financial institutions held in course of dissolution	X	X	X	X	X ¹	X	X	X	X			X	X ³			X	X	X	
6. Unclaimed property held by fiduciaries		X	X	X	X	X	X	X	X		X							X	
7. Unclaimed property held by state courts and other public agencies		X	X	X	X	X	X	X	X		X	X	X		X	X			
8. Miscellaneous personal property held for another person		X	X	X		X	X									X	X		
9. Unclaimed property of a person who dies intestate without heirs	X	X	X	X	X	X		X	X	X ¹	X	X	X	X	X	X	X	X	
10. Reciprocity between states		X				X													
11. Require annual report of abandoned property		X	X	X		X	X	X								X			
12. Penalties provided for failure to fulfill requirements under law		X		X		X	X									X			
13. Administrator of state program	Supt. of Banks State Treas., Savgs. & Loan Comm.	Estate Tax Com'r.	Atty Gen., Aud- itor	State Cont- roller	State Treas., Bank Com'r. Savgs. & Loan Com'r.	State Treasurer	State Treas.	St. Tax Com'r.	State Compt.		St. Treas.	Dir. of Fin'l Insts., Ins. Dir.	State Treas.		State Treas. School Fund Com'n	Com'r of Rev.	St. Tres Collect. of Rev.	St. Tres	State Treas.

- (1) Escheats to local political subdivisions and not to state.
(2) Unclaimed pari-mutuel tickets.
(3) Unclaimed funds held by nonprofit corporations.

(Table I continued)

Statutory Escheat or Custodial Provisions Regarding the Following	Mass.	Mich.	Minn.	Miss.	Mo.	Mont.	Neb.	Nev.	N.H.	N.J.	N.M.	N.Y.	N.C.	N.D.	Ohio	Okla.	Ore.	Pa.	R.I.
1. Unclaimed property held by banking or other financial institution	X	X	X					X		X	X	X	X				X	X	
2. Unclaimed funds held by life insurance companies	X	X						X		X	X	X	X				X	X	
3. Unclaimed deposits and refunds held by public utilities	X	X			X			X		X	X	X	X			X	X	X	
4. Undistributed dividends and distributions of business associations	X	X ²								X	X		X				X	X	
5. Unclaimed property of business associations or banking or other financial institutions held in course of dissolution		X			X			X	X	X	X	X	X		X	X	X	X	
6. Unclaimed property held by fiduciaries	X	X			X	X				X	X	X	X				X	X	
7. Unclaimed property held by state courts and other public agencies	X	X	X		X	X		X	X	X	X	X	X				X	X	
8. Miscellaneous personal property held for another person		X								X	X	X	X				X	X	
9. Unclaimed property of a person who dies intestate without heirs	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
10. Reciprocity between states											X						X		
11. Require annual report of abandoned property	X	X	X ⁴							X	X	X	X				X	X	
12. Penalties provided for failure to fulfill requirements under law	X	X								X	X	X					X	X	
13. Administrator of state program	Comm'er of Corp. & Tax.	Att. Gen. St. Bd. of Esch.	Exec. Council	Land com'm'er	Comptroller	St. Treas	St. Treas	Cont, Ins. Com'r Dir. of Cons. of Nat'l Res.	St. Treas	St. Treas	St. Treas	Compt'r'er	Esch't off'r, N.C. Univ.	St. Treas	St. Treas	St. Treas	St. Land Bd.	Sec. of Rev.	

(4) Report required every five years from banking and financial institutions.

(Table I continued)

Statutory Escheat or Custodial Provisions Regarding the Following:	S.C.	S.D.	Tenn.	Texas	Utah	Vt.	Va.	Wash.	W.Va.	Wis.	Wyo.	Number of States ⁶
1. Unclaimed property held by banking or other financial institution					X	X		X		X		22
2. Unclaimed funds held by life insurance companies					X			X				15
3. Unclaimed deposits and refunds held by public utilities					X			X				15
4. Undistributed dividends and distributions of business associations					X			X			X	17
5. Unclaimed property of business associations or banking or other financial institutions held in course of dissolution		X			X			X		X	X	30
6. Unclaimed property held by fiduciaries			X		X			X		X	X	24
7. Unclaimed property held by state courts and other public agencies			X		X		X	X		X	X	31
8. Miscellaneous personal property held for another person					X			X			X	17
9. Unclaimed property of a person who dies intestate without heirs	X	X	X	X	X		X	X	X	X	X	44
10. Reciprocity between states					X			X				5
11. Require annual report of abandoned property			X ⁵		X	X ⁴		X		X		20
12. Penalties provided for failure to fulfill requirements under law			X		X			X				14
13. Administrator of state program	Sec. of State	Com'r of Sch'l & Pub Lands	Atty Gen., Comp-trler	Atty Gen., Comp-trler	State Treas	State Treas	Comp-tr'er	State Tax Com'n	State Tax Com'n	State Treas, Atty Gen., Dept. of Admin	Cts. of Wyo., State Exam., Atty Gen.	

(5) Clerks of courts to make annual reports on unclaimed property; receivers and trustees to make such reports every six months.

(6) Excluding column pertaining to House Bill 113, 1959 session, as introduced.

Estimated Size of Abandoned Accounts in Colorado Banks and Savings and Loan Associations

Based on the figures reported in Tables II and III, for abandoned accounts nine years of age or older, Colorado banks and savings and loan associations are estimated to contain between a minimum of \$830,000 and a reasonable maximum of \$1,400,000 (Approach No. 2) which would be subject to disposition by the state were the bill included herein to be enacted. In addition to these accounts, unknown sums would also be subject to disposition from such sources as insurance companies, credit unions, etc.

As may be noted, the estimates contained in Table II and III are based on the results of a survey of all active banks and savings and loan associations in this state. The staff, with the cooperation of the Colorado Bankers Association and the Savings and Loan League of Colorado, submitted questionnaires to these financial institutions regarding their inactive and abandoned accounts. Usable replies were received from 52 of the 157 banks, or 33 per cent, and from 24 of the 56 savings and loan associations, or 43 per cent.*

Generally, the basis for the various estimates reported is the same both for banks and for savings and loan associations. That is, the figures in the second column in each table represent actual totals supplied by those institutions participating in the survey, thereby providing a minimum base amount. The remaining columns in the two tables contain estimated amounts based on: (1) the number of institutions reporting compared to the total number within a given class, i.e., state, federal, or national; (2) the amount of deposits within a given class as represented by the replies; and (3) the deposits represented in the replies compared to total deposits within the state. In the case of banks, a fourth approach was used based on the "dormant" accounts in state banks as reported by the State Banking Commissioner.

The figures in Tables II and III are presented on a cumulative basis in descending order so as to enable a quick comparison of the effect of various periods of inactivity such as seven years or more, eight years or more, nine years or more, etc., to 20 years or more. Further, the accounts are classified as "inactive" or "abandoned" on the basis of the classification made by the financial institutions themselves.

* As in the case of surveys of this type, several replies were received which were incomplete in one respect or another and, because of the confidential nature of the inquiry, it was not possible to obtain the necessary information to make these returns usable.

Table II
ESTIMATED INACTIVE AND ABANDONED ACCOUNTS IN COLORADO STATE AND NATIONAL BANKS
(Add 000 to Columns 4 Through 15)

Fiscal Year	<u>Results of Staff Survey</u>														
	(1)	(2)	(3)	Approach No. 1			Approach No. 2			Approach No. 3			Approach No. 4		
	Inactive Accounts	Abandoned Accounts	Total Columns (1&2)	Inactive Accounts	Abandoned Accounts	Total Columns (4&5)	Inactive Accounts	Abandoned Accounts	Total Columns (7&8)	Inactive Accounts	Abandoned Accounts	Total Columns (10&11)	Inactive Accounts	Abandoned Accounts	Total Columns (13&14)
1952 and earlier (7)	\$2,152,091	\$1,209,130	\$3,361,221	\$3,573	\$1,823	\$5,396	\$3,404	\$1,917	\$5,321	\$3,528	\$1,982	\$5,510	\$6,061	\$3,415	\$9,476
1951 and earlier (8)	1,626,710	942,666	2,569,376	2,610	1,513	4,123	2,574	1,491	4,065	2,665	1,545	4,210	4,584	2,656	7,240
1950 and earlier (9)	1,222,938	812,473	2,035,411	1,965	1,305	3,270	1,938	1,287	3,225	2,006	1,333	3,339	3,450	2,292	5,742
1949 and earlier (10)	973,458	710,634	1,684,092	1,562	1,141	2,703	1,541	1,125	2,666	1,596	1,165	2,761	2,744	2,003	4,747
1948 and earlier (11)	839,666	630,511	1,470,177	1,347	1,011	2,358	1,328	997	2,325	1,375	1,033	2,408	2,365	1,776	4,141
1947 and earlier (12)	610,311	562,710	1,173,021	980	903	1,883	966	891	1,857	1,001	922	1,923	1,721	1,586	3,307
1946 and earlier (13)	461,919	459,053	920,972	742	737	1,479	731	727	1,458	757	753	1,510	1,302	1,294	2,596
1945 and earlier (14)	347,729	423,682	771,411	538	655	1,193	530	646	1,176	549	669	1,218	944	1,150	2,094
1944 and earlier (15)	306,024	375,329	681,353	492	603	1,095	485	595	1,080	503	616	1,119	364	1,060	1,924
1943 and earlier (16)	264,561	344,313	608,874	425	553	977	418	545	963	433	564	997	745	970	1,715
1942 and earlier (17)	215,856	305,722	521,578	346	490	836	341	484	825	353	501	854	608	861	1,469
1941 and earlier (18)	170,305	282,432	452,737	274	454	728	270	448	718	280	464	744	481	795	1,279
1940 and earlier (19)	132,787	254,218	387,005	213	408	621	210	402	612	218	416	634	374	716	1,090
1939 and earlier (20)	119,290	177,954	297,244	191	284	475	188	280	468	195	290	485	335	499	834

Note: Columns (1) through (3) contain the results of the staff's survey of all active state and national banks in Colorado. Columns (4) through (15) contain the estimates based on the results of this survey as applied in four different ways. In each approach, it has been assumed that the banks returning usable data are representative of all Colorado banks in regard to age of accounts and to the classification as to "inactive" or "abandoned." In connection with this classification, the banks were asked to designate those accounts for which they were "reasonably certain" were not abandoned but were merely inactive, and the staff has followed their designations in all of the calculations herein.

Approach No. 1 - Based on number of banks reporting compared to total number of banks within a given class.

Approach No. 2 - Based on amount of deposits within national or state bank grouping as represented by replies.

Approach No. 3 - Based on deposits represented in banks replying to survey as a percentage of total bank deposits within the state.

Approach No. 4 - In 1952, dormant accounts in state banks totaled \$1,229,515, as reported by the State Banking Commissioner. The state banks replying to the survey reported a total of \$337,663 in inactive and abandoned accounts or, in other words, those banks replying represented 27.5% of the total outstanding in state banks in 1952. Assuming the same relationship of replies to actual totals exists for national banks as for state banks, then the national bank total would be increased to \$11,000,000 as of 1952. However, this latter total is out of proportion because (1) a greater number of national banks in their group participated than did state banks, and (2) the national banks participating represent a greater proportion of bank deposits than do the state banks. Thus, as a minimum, the \$11,000,000 can well be reduced by at least 25%, which would leave a figure of \$8,246,000, or a total of \$9,476,000 when added with the \$1,230,000 for state banks.

Table III
ESTIMATED INACTIVE AND ABANDONED ACCOUNTS IN COLORADO
STATE AND FEDERAL SAVINGS AND LOAN ASSOCIATIONS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	<u>Results of Staff Survey</u>			<u>Approach No. 1</u>			<u>Approach No. 2</u>			<u>Approach No. 3</u>		
<u>Fiscal Year</u>	<u>Inactive Accounts</u>	<u>Abandoned Accounts</u>	<u>Total Columns (182)</u>	<u>Inactive Accounts</u>	<u>Abandoned Accounts</u>	<u>Total Columns (485)</u>	<u>Inactive Accounts</u>	<u>Abandoned Accounts</u>	<u>Total Columns (788)</u>	<u>Inactive Accounts</u>	<u>Abandoned Accounts</u>	<u>Total Columns (10811)</u>
1952 or earlier (7)	\$433,265	\$35,396	\$468,661	\$1,376,800	\$162,900	\$1,539,700	\$2,030,600	\$157,600	\$2,188,200	\$2,027,000	\$166,000	\$2,193,000
1951 or earlier (8)	230,809	29,868	260,677	757,900	98,100	856,000	1,077,500	139,500	1,217,000	1,079,000	140,000	1,219,000
1950 or earlier (9)	151,798	16,773	168,571	498,900	55,100	554,000	709,600	78,400	788,000	710,000	78,000	789,000
1949 or earlier (10)	28,436	1,120	29,557	93,300	3,700	97,000	133,000	5,000	138,000	132,800	5,200	138,000
1948 or earlier (11)	19,224	899	20,123	63,000	3,000	66,000	90,000	4,000	94,000	90,000	4,000	94,000
1947 or earlier (12)	10,277	383	10,660	33,700	1,000	35,000	48,000	2,000	50,000	48,000	2,000	50,000
1946 or earlier (13)	4,599	89	4,688	14,700	1,300	15,000	21,600	400	22,000	21,600	400	22,000
1945 or earlier (14)	4,590	89	4,679	14,700	300	15,000	21,600	400	22,000	21,600	400	22,000
1944 or earlier (15)	4,590	89	4,679	14,700	300	15,000	21,600	400	22,000	21,600	400	22,000
1943 or earlier (16)	4,212	76	4,288	13,500	300	13,800	19,300	400	19,700	19,300	400	19,700
1942 or earlier (17)	1,655	76	1,731	5,900	300	6,200	8,400	400	8,800	8,400	400	8,800
1941 or earlier (18)	1,655	62	1,717	6,000	200	6,200	8,500	300	8,800	8,500	300	8,800
1940 or earlier (19)	1,232	32	1,264	4,500	100	4,600	6,400	200	6,600	6,400	200	6,600
1939 or earlier (20)	1,003	30	1,033	2,900	100	3,000	4,300	100	4,400	4,300	100	4,400

Note: Columns (1) through (3) contain the results of the staff's survey of all active state and federal savings and loan associations in Colorado. Columns (4) through (12) contain the estimates based on the results of this survey calculated in three different ways. In each approach it has been assumed that the associations returning usable data are representative of all Colorado savings and loan associations in regard to age of accounts and to classification as to "inactive" or "abandoned." In connection with this classification, the associations were asked to designate those accounts for which they were "reasonably certain" were not abandoned but were merely inactive, and the staff has followed their designations in all of the calculations herein.

Approach No. 1 - Based on the number of savings and loan associations reporting compared to total number of savings and loan associations within a given class.

Approach No. 2 - Based on the amount of assets within state or federal savings and loan association grouping as represented by replies.

Approach No. 3 - Based on deposits represented in savings and loan associations replying to survey as a percentage of total savings and loan assets within the state.

On the basis of the various estimating methods followed, the maximum total for abandoned accounts in all Colorado banks would range from \$1,823,000 to \$3,415,000 (seven years or older). However, it appears that the most likely figure results from Approach No. 2. Similarly, Approach No. 2 offers the most likely figure for savings and loan associations (\$157,600 for abandoned accounts seven years or older and \$78,400 for nine years or older).

In the case of savings and loan associations, a much smaller amount is involved because these financial institutions do not have the size of accounts as do banks. Also, several associations reported that they had no accounts with seven years or more of inactivity as the institutions had not been in operation that long.

A Proposed Disposition of Unclaimed Property Act

The committee's draft of a proposed uniform disposition of unclaimed property act for Colorado is based generally on a review of the provisions of other states and on the results of a hearing held August 30 with representatives of the Colorado Bankers Association, the Savings and Loan League of Colorado, the Colorado Life Convention, the Colorado Credit Union League, and with Mr. Floyd Engeman of the Attorney General's Office. As a result, in several respects the draft included herein reflects the thinking of other states and the provisions in the Uniform Disposition of Unclaimed Property Act of the Council of State Governments.

However, unlike these other acts, the committee's draft proposes a combination custodial-escheat law. That is, unclaimed property presumed abandoned at the end of nine years (two years for unclaimed winning pari-mutuel tickets) would be placed in the custody of the State Treasurer. If the property were not claimed at the end of a subsequent five-year period, title thereto would then pass to the state and the money would be placed in the state general fund.

In this connection, in order to safeguard the rights of the legal owners of the unclaimed property, the committee has included in its draft procedures for legal publication on unclaimed property both at the time it is first acquired by the state and again just prior to the time it escheats to the state five years later. In addition, the draft would require posting of these notices in all county courthouses throughout the state.

The committee has prepared what it feels is a comprehensive act. The proposed bill does not include, however, estates which escheat to the state, as these are required by the Constitution to be credited to the Permanent School Fund, nor does it include refunds from public utilities. On this latter point, the committee does not believe it advisable at this time to change the present law (Section 115-8-1, 1953 C.R.S.) under which municipalities or counties receive any unclaimed utility refunds.

A BILL FOR AN ACT
RELATING TO THE DISPOSITION OF UNCLAIMED FUNDS AND PROPERTY.

Be It Enacted by the General Assembly of the State of Colorado

SECTION 1. Definitions and use of terms. As used in this act, unless the context otherwise requires:

(1) "Banking organization", means any bank, trust company, savings bank, industrial bank, land bank, or private banker engaged in business in this state.

(2) "Business association", means any corporation (other than a public corporation), joint stock company, business trust, partnership, or any association for business purposes of two or more individuals.

(3) "Financial organization", means any savings and loan association, building and loan association, credit union, safe deposit company, or investment company, engaged in business in this state.

(4) "Holder", means any person in possession of property subject to this act belonging to another, or who is trustee in case of a trust, or is indebted to another on an obligation subject to this act.

(5) "Life insurance corporation", means any association or corporation transacting within this state the business of insurance on the lives of persons or insurance appertaining thereto, including, but not by way of limitation, endowments and annuities.

(6) "Owner", means a depositor in case of a deposit, a beneficiary in case of a trust, a creditor, claimant, or payee in case of other choses in action, or any person having a legal or equitable interest in property subject to this act, or his legal representative.

(7) "Person", means any individual, business association, government or political subdivision, public corporation, public authority, trust, two or more persons having a joint or common interest, or any other legal or commercial entity.

(8) "Utility", means any person, association, corporation or political subdivision of the state, who owns or operates within this state, for public use, any plant, equipment, property, franchise, or license for the transmission of communications or the production, storage, transmission, sale, delivery, or furnishing of electricity, water, steam, or gas.

SECTION 2. Property held by banking or financial organizations. The following property held or owing by a banking or financial organization is presumed abandoned:

(1) Any demand, savings, or matured time certificate of deposit made in this state with a banking organization, together with any interest or dividend thereon, excluding any charges that may lawfully be withheld, unless the owner has, within nine years:

(a) Increased or decreased the amount of the deposit, exclusive of interest thereon, or presented the passbook or other similar evidence of the deposit for the crediting of interest; or

(b) Corresponded in writing with the banking organization concerning the deposit; or

(c) Otherwise indicated an interest in or a knowledge of the deposit as evidenced by a memorandum on file with the banking organization.

(2) Any funds paid in this state toward the purchase of shares or other interest in a financial organization, or any deposit made therewith in this state, and any interest or dividends thereon, excluding any charges that may lawfully be withheld, unless the owner has within nine years:

(a) Increased or decreased the amount of the investment or deposit, exclusive of interest or dividend credit thereon, or presented an appropriate record for the crediting of interest or dividends; or

(b) Corresponded in writing with the financial organization concerning the investment or deposit; or

(c) Otherwise indicated an interest in or knowledge of the investment or deposit as evidenced by a memorandum on file with the financial organization.

(3) Any sum payable on checks certified in this state or on written instruments issued in this state on which a banking or financial organization is directly liable, including, by way of illustration but not of limitation, money orders and drafts, that has been outstanding for more than nine years from the date it was payable, or from the date of its issuance if payable on demand, unless the owner has within nine years corresponded in writing with the banking or financial organization concerning it, or otherwise indicated an interest as evidenced by a memorandum on file with the banking or financial organization.

(4) Any funds or other personal property, tangible or intangible, reposing in or removed from a safe deposit box or any other safekeeping repository, or agency or collateral deposit box

in this state on which the lease or rental period has expired due to nonpayment of rental charges or other reason, or any surplus amounts arising from the sale thereof pursuant to law, that have been unclaimed by the owner for more than nine years from the date on which the lease or rental period expired.

SECTION 3. Unclaimed funds held by life insurance corporations. (1) Unclaimed funds, as defined in this section, held and owing by a life insurance corporation shall be presumed abandoned if the last known address, according to the records of the corporation, of the person entitled to the funds is within this state. If a person other than the insured or annuitant is entitled to the funds and no address of such person is known to the corporation or if it is not definite and certain from the records of the corporation what person is entitled to the funds, it is presumed that the last known address of the person entitled to the funds is the same as the last known address of the insured or annuitant according to the records of the corporation.

(2) "Unclaimed funds", as used in this section, means all moneys held and owing by any life insurance corporation unclaimed and unpaid for more than nine years after the moneys became due and payable as established from the records of the corporation under any life or endowment insurance policy or annuity contract which has matured or terminated. A life insurance policy not matured by actual proof of the death of the insured is deemed to be matured and proceeds thereof are deemed to be due and payable if such policy was in force when the insured attained the limiting age under the mortality table on which the reserve is based, unless the person appearing entitled thereto has within the preceding nine years, (a) assigned, readjusted, or paid premiums on the policy, or subjected the policy to loan, or (b) corresponded in writing with the life insurance corporation concerning the policy. Moneys otherwise payable according to the records of the corporation are deemed due and payable although the policy or contract has not been surrendered as required.

SECTION 4. Deposits held by utilities. The following funds held or owing by any utility are presumed abandoned: Any deposit made by a subscriber with a utility to secure payment for, or any sum paid in advance for, utility services to be furnished in this state, less any lawful deductions, that has remained unclaimed by the person appearing on the records of the utility entitled thereto for more than nine years after the termination of the services for which the deposit or advance payment was made.

SECTION 5. Undistributed dividends and distributions of business associations. Any stock or other certificate of ownership, or any dividend, profit, distribution, interest, payment on principal, or other sum held or owing by a business association for or to a shareholder, certificate holder, member, bondholder, or other security holder, or a participating patron

of a cooperative, who has not claimed it, or corresponded in writing with the business association concerning it, within nine years after the date prescribed for payment or delivery, is presumed abandoned if:

(1) It is held or owing by a business association organized under the laws of or created in this state; or

(2) It is held or owing by a business association doing business in this state, but not organized under the laws of or created in this state, and the records of the business association indicate that the last known address of the person entitled thereto is in this state.

SECTION 6. Property of business associations and banking or financial organizations held in course of dissolution. (1) All tangible and intangible personal property and money distributable in the course of a voluntary or involuntary dissolution or liquidation of an unincorporated business, banking, or financial organization created under the laws of this state that is unclaimed by the owner at the date of the dissolution or liquidation of such organization is presumed abandoned.

(2) All tangible and intangible personal property and money distributable in the course of a voluntary or involuntary dissolution or liquidation of a corporation pursuant to the Colorado Corporation Act of 1958, as amended, that is unclaimed by the owner at the date of the dissolution or liquidation is presumed abandoned.

SECTION 7. Property held by fiduciaries. All tangible and intangible personal property and any income or increment thereon, held in a fiduciary capacity for the benefit of another person is presumed abandoned unless the owner has, within nine years after it becomes payable or distributable, increased or decreased the principal, accepted payment of principal or income, corresponded in writing concerning the property, or otherwise indicated an interest as evidenced by a memorandum on file with the fiduciary, except that money held for the payment of a bearer instrument representing interest or dividends on a principal sum shall not be presumed abandoned until nine years after the maturity of the principal sum:

(1) If the property is held by a banking organization or a financial organization, or by a business association organized under the laws of or created in this state; or

(2) If it is held by a business association, doing business in this state but not organized under the laws of or created in this state, and the records of the business association indicate that the last known address of the person entitled thereto is in this state; or

(3) If it is held in this state by any other person.

SECTION 8. Property held by state courts and public officers and agencies. All funds or intangible personal property held for the owner by any court, public corporation, public authority, or public officer of this state, or a political subdivision thereof, that has remained unclaimed by the owner for more than nine years is presumed abandoned.

SECTION 9. Unclaimed pari-mutuel tickets. All funds represented by unclaimed winning pari-mutuel tickets held in this state by any person, association, or corporation operating a pari-mutuel or similar system of betting at dog or horse race tracks shall be presumed abandoned within the meaning of this act if not claimed by the persons entitled thereto within two years from the time the tickets became payable.

SECTION 10. Miscellaneous personal property held for another person. All funds or intangible personal property, not otherwise covered by this act, including any income or increment thereon and deducting any lawful charges, that is held or owing in this state in the ordinary course of the holder's business and has remained unclaimed by the owner for more than nine years after it became payable or distributable is presumed abandoned.

SECTION 11. Reciprocity for property presumed abandoned or escheated under the laws of another state. If specific property which is subject to the provisions of sections 2, 5, 6, 7, and 10 is held for or owed or distributable to an owner whose last known address is in another state by a holder who is subject to the jurisdiction of that state, the specific property is not presumed abandoned in this state and subject to this act if:

(1) It may be claimed as abandoned or escheated under the laws of such other state; and

(2) The laws of such other state make reciprocal provision that similar specific property is not presumed abandoned or escheatable by such other state when held for or owed or distributable to an owner whose last known address is within this state by a holder who is subject to the jurisdiction of this state.

SECTION 12. Search, transfer and report of abandoned property to the state treasurer. (1) One year before any funds or other property will be presumed abandoned under this act, it shall be the duty of the holder of such funds or property, if the owner's claim has not been barred by the statute of limitations, to communicate with the owner thereof by first-class mail to the last known address of such owner, advising such owner that unless steps are taken within the following year to either (a) increase or decrease the amount of a deposit, or (b) present the pass book or other similar evidence of a deposit for the crediting of interest, or (c) correspond in writing concerning such funds or property, or (d) otherwise indicate an interest in the funds or property, such funds and property will be presumed abandoned

at the end of the year and will be transferred to the state treasurer to be kept by him for five years and thereafter escheated to the state of Colorado.

(2) Every holder of funds or other property to which there is no response pursuant to subsection (1) of this section and which funds or property is presumed abandoned under the provisions of this act shall pay or deliver all such funds or property to the state treasurer within ninety days after the close of the calendar year within which such presumption of abandonment is determined to exist or to have occurred pursuant to this act.

(3) At the time of making the transfer of the funds and property as provided for in subsection (2) of this section, the holder thereof shall make a verified report to the state treasurer on forms to be furnished by him which report shall include:

(a) The name, if known, and the last known address, if any, of each person appearing from the records of the holder to be the owner of the property presumed abandoned and transferred under this act;

(b) In case of unclaimed funds of life insurance companies, the full name of the insured or annuitant and his last known address according to the life insurance corporation's records;

(c) The nature and identifying number, if any, or description of the property and the amount appearing from the records to be due;

(d) The date when the property became payable, demandable, or returnable, and the date of the last transaction with the owner with respect to the property;

(e) If the holder of property presumed abandoned is a successor to other holders who previously held the property for the owner, or if the holder has changed its name while holding the property, all prior known names and addresses of each holder of the property; and

(f) Such other information which the state treasurer may determine to be necessary for the proper administration of this act.

(4) Verification, if made by a partnership, shall be executed by a partner; if made by an unincorporated association or private corporation, by an officer; and if made by a public corporation, by its chief fiscal officer.

(5) The term "funds and other property" as used in this section shall not include any item of the value of less than three dollars, provided that the holder of any funds or property may,

in his discretion, include in his report and transfer to the state treasurer all or any item of the value of less than three dollars which is presumed abandoned if he has first attempted to communicate with the owner of such property under the provisions of subsection (1) of this section.

(6) The initial report filed with the state treasurer under this act shall include all items of property that would have been presumed abandoned if this act had been in effect preceding its effective date.

(7) It shall be the duty of the state treasurer to keep as a permanent record all such reports submitted to him pursuant to this act. These reports shall be available to the public for inspection during all reasonable business hours.

SECTION 13. Notice and publication of lists of abandoned property transferred to state treasurer. (1) The state treasurer shall on July 1 of each year following the receipt of all funds and property, tangible and intangible, transferred to him pursuant to section 12 of this act, cause a notice of the transfer of property having a value of twenty-five dollars or more to be published one time in at least two newspapers published in the state of Colorado and which have circulation throughout the entire state, and shall cause said notice to be posted for thirty days in a public place in each county courthouse of the state of Colorado.

(2) The published notice shall be in substance as follows:

NOTICE TO PERSONS APPEARING TO BE
OWNERS OF PROPERTY TRANSFERRED TO
THE STATE TREASURER

TO THE FOLLOWING OWNERS, THEIR HEIRS, NEXT-OF-KIN, ASSIGNS, OR OTHER PERSONS IN INTEREST OF THE DESCRIBED FUNDS OR PROPERTY:

TAKE NOTICE that the following described funds or property have been transferred to the State Treasurer pursuant to the "Unclaimed Properties Act of 1961":

<u>Name and Address of Owner</u>	<u>Description of Funds or Property</u>	<u>By Whom Transferred</u>	<u>Amount or Value</u>
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(Insert complete listing in alphabetical order)

YOU, AND EACH OF YOU, are hereby notified that claim must be made for such funds or property to the State Treasurer, State of Colorado, Room _____, State Capitol, Denver 2, Colorado, on or before five years from the date of the last publication of this notice, said last day of publication being _____. Failure to make claim to your property within said five year period will

cause such property to escheat to the state of Colorado and all your right, title, and interest thereto shall be terminated.

State Treasurer

(3) The notice required to be published may contain such additional information which the state treasurer may deem necessary for the proper administration of this act.

SECTION 14. Claim for abandoned funds or property held by the state treasurer. All funds and property transferred to the state treasurer pursuant to section 12 of this act shall be held by him for a period of five years from the date of the receipt of the same and thereafter disposed of in accordance with sections 19 and 20 of this act. Any owner claiming an interest in any such funds or property shall file a claim thereto within said five year period or as otherwise provided for in this act or such claim shall be forever barred. The claim shall be made on the form prescribed by the state treasurer.

SECTION 15. Relief from liability by payment or delivery. Upon the payment or delivery of abandoned property to the state treasurer, the state shall assume custody and shall be responsible for the safekeeping thereof. Any person who pays or delivers abandoned property to the state treasurer under this act in the bona fide belief that such payment or delivery is required under this act, even though such belief may be erroneous, is relieved of all liability on account of any claim to the property so paid or delivered which then exists or which thereafter may arise or be made in respect to the property or to the payment or delivery thereof.

SECTION 16. Income accruing after payment or delivery. When property is paid or delivered to the state treasurer under this act, the owner is not entitled to receive income or other increments accruing thereafter.

SECTION 17. Periods of limitation not a bar. The expiration of any period of time specified by statute or court order, during which an action or proceeding may be commenced or enforced to obtain payment of a claim for money or recovery of property, shall not prevent the money or property from being presumed abandoned property, nor affect any duty required by this act to pay or deliver abandoned property to the state treasurer.

SECTION 18. Sale of abandoned property. (1) All abandoned property, other than money delivered to the state treasurer under this act, shall be sold by the state treasurer at his discretion within five years after the delivery to him, to the highest bidder at public sale in whatever city in the

state affords in his judgment the most favorable market for the property involved. The state treasurer may decline the highest bid and reoffer the property for later sale if he considers the price bid insufficient. He need not offer any property for sale if; in his opinion, the probable cost of sale exceeds the value of the property. No proceeds from any such sale shall be held by the state treasurer subject to the claims of the owner or prior holder thereof and of all persons claiming through or under them.

(2) Any sale held under this section shall be preceded by a publication of notice thereof one time in a Colorado newspaper having statewide circulation at least three weeks in advance of the sale.

(3) The purchaser at any sale conducted by the state treasurer pursuant to this act shall receive title to the property purchased, free from all claims of the owner or prior holder thereof and of all persons claiming through or under them. The state treasurer shall execute all documents necessary to complete the transfer of title.

SECTION 19. Procedure for escheating abandoned funds and property held by the state treasurer. (1) Within ninety days following the close of the fifth calendar year after the year in which any funds or property have been transferred to the state treasurer pursuant to section 12 of this act, and no claim therefor having been made and established by any owner entitled thereto, it shall be the duty of the state treasurer to apply to the district court in and for the city and county of Denver for a determination that said funds and property shall become the property of the state by way of escheat.

(2) Such application for escheat shall be commenced by the filing with the court of a verified petition by the state treasurer which shall be deemed to be an in rem action. The petition shall show the last known address of the owners, a brief description of the funds or property of each owner, the names of the holders who transferred the funds and property to the state treasurer, the date of the transfer, the amount or value of the funds or property, and, if the funds were derived from a sale of property by the treasurer, the date such sale occurred.

(3) (a) At the time of filing the petition for escheat with the court, the state treasurer shall cause to be issued a notice of such filing of the petition. Said notice shall include the name of the owner, the last known address of the owner, a description of the funds or property, the holder who transferred the funds or property to the state treasurer, and the amount or value of the funds or property of each owner sought to be escheated. The notice shall notify all owners, their heirs, next-of-kin, assigns, or other persons in interest to appear and present their claims to funds and property to the state treasurer within ninety days from the last day of the publication of the notice. Such notice shall be in substance as follows:

(SET FORTH COURT CAPTION)

IN THE MATTER OF THE ESCHEAT OF)
ABANDONED FUNDS AND PROPERTY HELD)
BY THE TREASURER OF THE STATE OF)
COLORADO)

NOTICE

TO THE FOLLOWING OWNERS, THEIR HEIRS, NEXT-OF-KIN, ASSIGNS, OR OTHER PERSONS IN INTEREST OF THE DESCRIBED FUNDS OR PROPERTY:

<u>Name and Address of Owner</u>	<u>Description of Funds or Property</u>	<u>By Whom Transferred</u>	<u>Amount or Value</u>
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(Insert complete list, arranged alphabetically by last name of owners)

TAKE NOTICE that a petition has been filed in this cause by the State Treasurer pursuant to the "Unclaimed Properties Act of 1961" whereby the State Treasurer seeks to escheat the above listed funds or property to the State of Colorado.

YOU AND EACH OF YOU are hereby advised to present your claim to any of the above listed funds or property to which you may be entitled within ninety days after service of this notice upon you or within ninety days after the last date of the publication of this notice, said last day of publication being _____, 19____.

FAILURE TO PRESENT YOUR CLAIM within the prescribed period will cause said funds and property to escheat to the State of Colorado as the absolute property of the state and all your right, title, or interest thereto shall be terminated.

Dated this _____ day of _____, 19_____.

STATE TREASURER, STATE OF COLORADO
Room _____, State Capitol
Denver 2, Colorado

(b) The notice shall be published once a week for two successive weeks in at least two newspapers published in Colorado and which have circulation throughout the entire state of Colorado.

(c) The notice shall be served by the state treasurer upon each owner therein listed by sending a copy of said notice by first-class mail to each owner at the last known address of such owner as indicated by the records of the state treasurer, and the treasurer shall file in the district court a certificate of such mailing.

(d) If any claims are presented within ninety days after the date of the last publication of said notice or the last day

of the mailing of the notices, whichever is the later, all such claims shall be disposed of in accordance with sections 21 and 22 of this act. All funds or property subject to any such claims shall be stricken from the petition for escheat pending final disposition thereof. If the claim thereto is found to be invalid, the funds and property subject to such a claim shall be included in the next escheat petition filed by the treasurer.

(e) Upon the expiration of the ninety day period provided for in subsection (3) (d) of this section, the state treasurer shall proceed to present to the court evidence in support of his petition for escheat, and, if the court be satisfied that the state treasurer has complied with the provisions of this act, the court shall then enter judgment in favor of the state of Colorado adjudging the subject funds and property to be the absolute property of the state of Colorado by way of escheat and that all the right, title, or interest thereto of the owners is thereby terminated and all claims thereto forever barred.

SECTION 20. Deposit of funds. (1) All funds transferred to the state treasurer pursuant to the provisions of this act, including the proceeds from the sale of abandoned property under section 18 of this act, shall forthwith be deposited by the state treasurer in the escheat fund of the state.

(2) Within a reasonable time after the entry of an order of escheat pursuant to section 19 (3) (e) of this act, the state treasurer shall withdraw from the escheat fund the amount designated by the order of court and deposit said amount to the general fund of the state of Colorado.

SECTION 21. Determination of claims. (1) The state treasurer shall consider any claim filed under this act and may hold a hearing and receive evidence concerning it. If a hearing is held, he shall prepare a finding and a decision in writing on each claim filed, stating the substance of any evidence heard by him and the reasons for his decision. The decision shall be a public record.

(2) If the claim is allowed, the state treasurer shall make payment forthwith. The claim shall be paid without deduction for costs of notices or sale or for service charges.

SECTION 22. Judicial action upon determinations. Any person aggrieved by a decision of the state treasurer or as to whose claim the state treasurer has failed to act within ninety days after the filing of the claim, may commence an action in the district court to establish his claim. The proceeding shall be brought within ninety days after the decision of the state treasurer or within one hundred eighty days from the filing of the claim if the state treasurer fails to act. The action shall be tried de novo, and shall be conducted in accordance with the Colorado Rules of Civil Procedure.

SECTION 23. Examination of records. If the state treasurer has good cause to believe that any person has failed to report property that should have been reported pursuant to this act, the state treasurer may, at reasonable times and upon reasonable notice, examine the records of such person bearing upon the property which in the belief of the state treasurer should have been reported. Information obtained through such examination which is not relevant to the object of such inquiry shall not be divulged.

SECTION 24. Proceeding to compel delivery of abandoned property. If any person refuses to deliver property to the state treasurer as required under this act, the state treasurer shall bring an action in a court of appropriate jurisdiction to enforce such delivery. It shall be the duty of the attorney general to represent the state treasurer in the administration of this act.

SECTION 25. Penalties. (1) Any person who wilfully fails to render any report or perform other duties required under this act, shall be punished by a fine of fifty dollars for each day such report is withheld, but not more than five hundred dollars.

(2) Any person who wilfully refuses to pay or deliver abandoned funds or property to the state treasurer as required under this act shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not less than one hundred dollars nor more than five hundred dollars, or imprisonment for not more than six months, or both, in the discretion of the court.

SECTION 26. Rules and regulations. The state treasurer is hereby authorized to make necessary rules and regulations to carry out the provisions of this act. The adoption and promulgation of such rules and regulations shall be in accordance with the provisions of Chapter 37, Session Laws of Colorado, 1959, and any subsequent amendments thereto.

SECTION 27. Effect of laws of other states. This act shall not apply to any property that has been presumed abandoned or escheated under the laws of another state prior to the effective date of this act.

SECTION 28. Liberal construction. This act shall be liberally construed so as to protect the interests of the owners and holders of the funds and property presumed abandoned under this act.

SECTION 29. Short title. This act may be cited as the "Unclaimed Properties Act of 1961."

SECTION 30. Effective date. This act shall take effect July 1, 1961.

SECTION 31. Repeal. (1) Section 14-21-4 (11), section 122-2-32, section 152-14-14 (3), Colorado Revised Statutes 1953 and section 99 of chapter 32, Session Laws of Colorado 1958, are hereby repealed.

(2) The provisions of this act shall not be construed to amend, repeal or otherwise affect the provisions of article 14 of chapter 152, Colorado Revised Statutes 1953, except as to the repeal of section 152-14-14 (3), repealed by subsection (1) of this section.

SECTION 32. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.