

1 *Senate* BILL NO. *364*
 2 INTRODUCED BY *Kalstad Stephens Mulholland Etchant*
 3 *Jergeson*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE
 5 UNDISTRIBUTED DIVIDENDS AND DISTRIBUTIONS OF BUSINESS
 6 ASSOCIATIONS NOT CLAIMED FOR 7 YEARS TO BE DISTRIBUTED TO
 7 THE COUNTY OF THE OWNER'S LAST KNOWN RESIDENCE IN THE FORM
 8 OF SCHOLARSHIPS; AMENDING SECTIONS 67-2213, 67-2216,
 9 67-2218, 67-2223, 67-2224, AND 67-2225, R.C.M. 1947."

10
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 12 Section 1. Section 67-2213, R.C.M. 1947, is amended to
 13 read as follows:

14 "67-2213. Payment or delivery of abandoned property.
 15 Every person who has filed a report as provided by section
 16 67-2211 shall within ~~twenty~~{20} days after the time
 17 specified in section 67-2212 for claiming the property from
 18 the holder, or in the case of sums payable on travelers'
 19 checks or money orders presumed abandoned under section
 20 67-2202 within ~~twenty~~{20} days after the filing of the
 21 report, pay or deliver to the state department of revenue
 22 all abandoned property specified in this report, except
 23 that:

24 (1) if the owner establishes his right to receive the
 25 abandoned property to the satisfaction of the holder within

1 the time specified in section 67-2212, or if it appears that
 2 for some other reason the presumption of abandonment is
 3 erroneous, the holder need not pay or deliver the property,
 4 which will no longer be presumed abandoned, to the state
 5 department of revenue, but in lieu thereof shall file a
 6 verified written explanation of the proof of claim or of the
 7 error in the presumption of abandonment;

8 ~~(2) in the case of property described in 67-2205,~~
 9 ~~disposition shall be made by the board of directors of the~~
 10 ~~business association holding such undistributed dividends or~~
 11 ~~distributions to the board of county commissioners of the~~
 12 ~~county of the last known residence of the person in whose~~
 13 ~~name such dividends or distributions are held. The funds or~~
 14 ~~property shall be distributed in the form of scholarships~~
 15 ~~under such conditions as the board of county commissioners~~
 16 ~~determines."~~

17 Section 2. Section 67-2216, R.C.M. 1947, is amended to
 18 read as follows:

19 "67-2216. Periods of limitation not a bar. The
 20 expiration of any period of time specified by statute or
 21 court order, during which an action or proceeding may be
 22 commenced or enforced to obtain payment of a claim for money
 23 or recovery of property, shall not prevent the money or
 24 property from being presumed abandoned property, nor affect
 25 any duty to file a report required by this act or to pay or

1 deliver abandoned property to the state department of
2 revenue or any board of county commissioners."

3 Section 3. Section 67-2218, R.C.M. 1947, is amended to
4 read as follows:

5 "67-2218. Deposit of moneys. ~~(e)(1)~~. Except for
6 property described in 67-2205, ~~At all~~ moneys received under
7 this act, including the proceeds from the sale of abandoned
8 property under section 67-2217, shall forthwith be deposited
9 by the state department of revenue with the state treasurer
10 for credit to the trust and legacy fund, public school
11 account of the state, except that the state treasurer shall
12 retain in the agency fund an amount not exceeding
13 ~~twenty-five-thousand-dollars-(\$25,000)~~ from which he shall
14 make prompt payment of claims allowed by the department as
15 hereinafter provided. Before making the deposit the state
16 department of revenue shall record the name and last known
17 address of each person appearing from the holders' reports
18 to be entitled to the abandoned property and of the name and
19 last known address of each insured person or annuitant, and
20 with respect to each policy or contract listed in the report
21 of a life insurance corporation, its number, the name of the
22 corporation, and the amount due. The record shall be
23 available for public inspection at all reasonable business
24 hours.

25 ~~(b)(2)~~ Before making any deposit to the credit of the

1 public school account, the state department of revenue may
2 deduct:

3 ~~(1)(a)~~ any costs in connection with sale of abandoned
4 property; ~~i~~
5 ~~(2)(b)~~ any costs of mailing and publication in
6 connection with any abandoned property; ~~i~~ and
7 ~~(3)(c)~~ reasonable service charges."

8 Section 4. Section 67-2223, R.C.M. 1947, is amended to
9 read as follows:

10 "67-2223. Examination of records. The state department
11 of revenue, any appropriate board of county commissioners,
12 or their designated agent, may at reasonable times and upon
13 reasonable notice examine the records of any person if the
14 department or board of county commissioners has reason to
15 believe that such person has failed to report property that
16 should have been reported pursuant to this act."

17 Section 5. Section 67-2224, R.C.M. 1947, is
18 amended to read as follows:

19 "67-2224. Proceeding to compel delivery of abandoned
20 property. (1) If any person refuses to deliver property to
21 the state department of revenue as required under this act,
22 the department shall bring an action in a court of
23 appropriate jurisdiction to enforce such delivery.

24 (2) If any person refuses to deliver property to any
25 board of county commissioners as required under 67-2213,

1 ~~that board of county commissioners shall bring an action in~~
2 ~~a court of appropriate jurisdiction to enforce such~~
3 ~~delivery."~~

4 Section 6. Section 67-2225, R.C.M. 1947, is amended to
5 read as follows:

6 "67-2225. Penalties. ~~(a)(1)~~ Any person who willfully
7 fails to render any report or perform other duties required
8 under this act shall be punished by a fine of ~~fifty--dollars~~
9 ~~(\$50)~~ for each day such report is withheld, but not more
10 than ~~one-thousand-dollars-(\$1,000)~~.

11 ~~(b)(2)~~ Any person who willfully refuses to pay or
12 deliver abandoned property to the state department of
13 revenue ~~or any board of county commissioners~~ as required
14 under this act shall be punished by a fine of not less than
15 ~~one-hundred-dollars-(\$100)~~ nor ~~or~~ more than ~~one--thousand~~
16 ~~dollars--(\$1,000)~~, or imprisonment for not more than ~~six-(6)~~
17 months, or both, in the discretion of the court."

-End-

STATE OF MONTANA

REQUEST NO. 342-77

FISCAL NOTE

Form BD-15

In compliance with a written request received February 2, 1977, there is hereby submitted a Fiscal Note for Senate Bill 364 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

This bill is an act to require undistributed dividends and distributions of business associations not claimed for seven (7) years to be distributed to the county of the owner's last known residence in the form of scholarships.

FISCAL IMPACT:

Although no precise dollar projection can be provided, it appears that the maximum amount of dollars involved would be \$50,000 per year (see technical note).

TECHNICAL NOTE:

This bill appears to be in conflict with Article X, Section 2, Subsection 6 of the Montana Constitution which provides that "The public school fund of the state shall consist of: (6) All unclaimed shares and dividends of any corporation incorporated in the state"

Richard L. Franz
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: February 4, 1977