

CHAPTER NO. 575

SENATE BILL NO. 477

INTRODUCED BY HAGER

IN THE SENATE

February 12, 1979	Introduced and referred to Committee on Taxation.
March 10, 1979	Committee recommend bill do pass as amended. Report adopted.
March 12, 1979	Printed and placed on members' desks.
March 13, 1979	Second reading, pass consideration.
March 14, 1979	Second reading, do pass.
March 15, 1979	Considered correctly engrossed.
March 16, 1979	Third reading, passed. Transmitted to second house.

IN THE HOUSE

March 17, 1979	Introduced and referred to Committee on Taxation.
March 31, 1979	Committee recommend bill be concurred in. Report adopted.
April 2, 1979	Second reading, concurred in.
April 4, 1979	Third reading, concurred in.

IN THE SENATE

April 5, 1979	Returned from second house. Concurred in. Sent to enrolling. Reported correctly enrolled.
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1 Sen. Hager BILL NO. 477
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 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE A
 5 CORPORATION UPON DISSOLUTION TO REPORT AS ABANDONED PROPERTY
 6 THE VALUE OF ALL SHARES OWNED BY SHAREHOLDERS THAT CANNOT BE
 7 LOCATED; TO INCREASE FROM \$25 TO \$50 THE REQUIREMENT THAT
 8 THE DEPARTMENT OF REVENUE PUBLISH NAMES OF OWNERS OF
 9 PROPERTY PRESUMED ABANDONED; TO PROVIDE RELIEF FROM
 10 LIABILITY FOR ANY PERSON WHO DELIVERS DUPLICATE STOCK TO THE
 11 DEPARTMENT; TO PERMIT THE DEPARTMENT TO SELL LISTED STOCK
 12 THROUGH A STOCK DEALER RATHER THAN BY AUCTION; AMENDING
 13 SECTIONS 70-9-204, 70-9-205, 70-9-302, 70-9-304, AND
 14 70-9-308, MCA."

15
 16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 17 Section 1. Section 70-9-204, MCA, is amended to read:
 18 "70-9-204. Stock, dividends, and distributions of
 19 business association. (1) Any stock or other certificate of
 20 ownership or any dividend, profit, distribution, interest,
 21 payment on principal, or other sum held or owing by a
 22 business association for or to a shareholder, certificate
 23 holder, member, bondholder, or other security holder or a
 24 participating patron of a cooperative, who has not claimed
 25 it or corresponded in writing with the business association

1 concerning it within 7 years after the date prescribed for
 2 payment or delivery is presumed abandoned if it is held or
 3 owing by a business association:

4 ~~(1)~~(a) organized under the laws of or created in this
 5 state; or

6 ~~(2)~~(b) doing business in this state but not organized
 7 under the laws of or created in this state and the records
 8 of the business association indicate that the last known
 9 address of the person entitled thereto is in this state.

10 ~~(2)~~ Any intangible interest in a business association
 11 as evidenced by the stock or membership records of the
 12 association is presumed abandoned and the association deemed
 13 the holder thereof when:

14 (a) the interest in the association is owned by a
 15 person who for more than 7 years has neither claimed a
 16 dividend or other sum referred to in subsection (1) nor
 17 corresponded in writing with the association or otherwise
 18 indicated an interest as evidenced by a memorandum or other
 19 record on file with the association;

20 (b) the association does not know the location of the
 21 owner at the end of the 7-year period;

22 (c) the records of the association indicate that the
 23 last-known address of the person entitled to the dividend is
 24 in this state; and

25 (d) the association is:

1 (i) organized under the laws of or created in this
2 state; or

3 (ii) doing business in this state but not organized
4 under the laws of or created in this state.

5 (3) Any dividends or other distributions held for or
6 owing to a person at the time an intangible interest in a
7 business association is presumed abandoned pursuant to
8 subsection (2) are presumed abandoned."

9 Section 2. Section 70-9-205, MCA, is amended to read:

10 "70-9-205. Property of business association or of
11 banking or financial organization held in course of
12 dissolution. All intangible personal property distributable
13 in the course of a voluntary dissolution of a business
14 association, banking organization, or financial organization
15 organized under the laws of or created in this state that is
16 unclaimed by the owner ~~within 2 years after~~ on the date for
17 final distribution is presumed abandoned."

18 Section 3. Section 70-9-207, MCA, is amended to read:

19 "70-9-207. Property held by court or public officer or
20 agency. (1) All intangible personal property held for the
21 owner by any court, public corporation, public authority, or
22 public officer of this state or a political subdivision
23 thereof that has remained unclaimed by the owner for more
24 than 7 years is presumed abandoned.

25 (2) All intangible personal property held for the

1 owner by an court, department, agency, or officer of the
2 United States, that has remained unclaimed by the owner for
3 more than 7 years is presumed abandoned when the records of
4 the holder indicate that the last-known address of the owner
5 is in this state."

6 Section 4. Section 70-9-302, MCA, is amended to read:

7 "70-9-302. Notice of property presumed abandoned --
8 publication -- mail. (1) Within 120 days from the filing of
9 the report required by 70-9-301, the department of revenue
10 shall cause notice to be published at least once each week
11 for 2 successive weeks in an English language newspaper of
12 general circulation in the county in this state in which is
13 located the last known address of any person to be named in
14 the notice. If no address is listed or if the address is
15 outside this state, the notice shall be published in the
16 county in which the holder of the abandoned property has his
17 principal place of business within this state.

18 (2) The published notice shall be entitled "Notice of
19 Names of Persons Appearing to be Owners of Abandoned
20 Property" and shall contain:

21 (a) the names in alphabetical order and last known
22 addresses, if any, or person listed in the report and
23 entitled to notice within the county as hereinbefore
24 specified;

25 (b) a statement that information concerning the amount

1 or description of the property and the name and address of
 2 the holder may be obtained by any persons possessing an
 3 interest in the property by addressing an inquiry to the
 4 department;

5 (c) a statement that if proof of claim is not
 6 presented by the owner to the holder and if the owner's
 7 right to receive the property is not established to the
 8 holder's satisfaction within 65 days from the date of the
 9 second published notice, the abandoned property will be
 10 placed not later than 85 days after such publication date in
 11 the custody of the department to whom all further claims
 12 must thereafter be directed.

13 (3) The department is not required to publish in such
 14 notice any item of less than \$25 ~~\$50~~ unless the department
 15 deems such publication to be in the public interest.

16 (4) Within 120 days from the receipt of the report
 17 required by 70-9-301, the department shall mail a notice to
 18 each person having an address listed therein who appears to
 19 be entitled to property of the value of \$25 ~~\$50~~ or more
 20 presumed abandoned under parts 1 through 3.

21 (5) The mailed notice shall contain:

22 (a) a statement that, according to a report filed with
 23 the department, property is being held to which the
 24 addressee appears entitled;

25 (b) the name and address of the person holding the

1 property and any necessary information regarding changes of
 2 name and address of the holder;

3 (c) a statement that if satisfactory proof of claim is
 4 not presented by the owner to the holder by the date
 5 specified in the published notice, the property will be
 6 placed in the custody of the department to whom all further
 7 claims must be directed.

8 (6) This section is not applicable to sums payable on
 9 travelers' checks or money orders presumed abandoned under
 10 70-9-201."

11 Section 5. Section 70-9-304, MCA, is amended to read:
 12 "70-9-304. Relief from liability by payment or
 13 delivery to department. (1) Upon the payment or delivery of
 14 abandoned property to the department of revenue, the state
 15 shall assume custody and shall be responsible for the
 16 safekeeping thereof.

17 (2) Any person who pays or delivers abandoned property
 18 to the department under parts 1 through 3 is relieved of all
 19 liability to the extent of the value of the property so paid
 20 or delivered for any claim which then exists or which
 21 thereafter may arise or be made in respect to the property.

22 ~~(3) Any person who delivers duplicate stock or other~~
 23 ~~duplicate certificates of ownership to the department under~~
 24 ~~parts 1 through 3 is relieved of all liability for any claim~~
 25 ~~which then exists or which thereafter may arise or be made~~

1 in respect to the property, including, but not limited to a
 2 claim by a person attempting to redeem the original
 3 certificate."

4 Section 6. Section 70-9-308, MCA, is amended to read:

5 "70-9-308. Sale of abandoned property -- notice --
 6 title of purchaser. (1) ~~Except as provided in subsection~~
 7 ~~(2), all~~ abandoned property other than money delivered to
 8 the department of revenue under parts 1 through 3 shall
 9 within 1 year after the delivery be sold by the department
 10 to the highest bidder at public sale in whatever city in the
 11 state affords in the department's judgment the most
 12 favorable market for the property involved. The department
 13 may decline highest bid and reoffer the property for sale if
 14 the department considers the price bid insufficient. The
 15 department need not offer any property for sale if, in the
 16 department's opinion, the probable cost of sale exceeds the
 17 value of the property.

18 (2) Securities listed on an established stock exchange
 19 shall be sold at the prevailing prices on such exchange.
 20 Other securities may be sold over the counter at prevailing
 21 prices or by such other method as the department may
 22 determine to be advisable. United States government savings
 23 bonds and United States war bonds shall be presented to the
 24 United States for payment.

25 ~~(2)(3)~~ Any sale held under this section shall be

1 preceded by a single publication of notice thereof at least
 2 3 weeks in advance of sale in an English language newspaper
 3 of general circulation in the county where the property is
 4 to be sold.

5 ~~(3)(4)~~ The purchaser at any sale conducted by the
 6 department pursuant to parts 1 through 3 shall receive title
 7 to the property purchased free from all claims of the owner
 8 or prior holder thereof and of all persons claiming through
 9 or under them. The department shall execute all documents
 10 necessary to complete the transfer of title."

-End-

Approved by Committee
on Taxation

SENATE BILL NO. 477

INTRODUCED BY HAGER

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE A CORPORATION UPON DISSOLUTION TO REPORT AS ABANDONED PROPERTY THE VALUE OF ALL SHARES OWNED BY SHAREHOLDERS THAT CANNOT BE LOCATED; ~~TO SUBJECT UNCLAIMED INTANGIBLE PERSONAL PROPERTY IN THE CUSTODY OF THE UNITED STATES TO THE PROVISIONS OF TITLE 70, CHAPTER 9, MCA;~~ TO INCREASE FROM \$25 TO \$50 THE REQUIREMENT THAT THE DEPARTMENT OF REVENUE PUBLISH NAMES OF OWNERS OF PROPERTY PRESUMED ABANDONED; TO PROVIDE RELIEF FROM LIABILITY FOR ANY PERSON WHO DELIVERS DUPLICATE STOCK TO THE DEPARTMENT; TO PERMIT THE DEPARTMENT TO SELL LISTED STOCK THROUGH A STOCK DEALER RATHER THAN BY AUCTION; AMENDING SECTIONS 70-9-204, 70-9-205, 70-9-302, 70-9-304, AND 70-9-308, MCA."

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participating patron of a cooperative, who has not claimed it or corresponded in writing with the business association concerning it within 7 years after the date prescribed for payment or delivery is presumed abandoned if it is held or owing by a business association:

(1) organized under the laws of or created in this state; or

(2) 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.

(2) Any intangible interest in a business association as evidenced by the stock or membership records of the association is presumed abandoned and the association deemed the holder thereof when:

(a) the interest in the association is owned by a person who for more than 7 years has neither NOI claimed a dividend or other sum referred to in subsection (1); nor corresponded in writing with the association or otherwise indicated an interest as evidenced by a memorandum or other record on file with the association;

(b) the association does not know the location of the owner at the end of the 7-year period;

(c) the records of the association indicate that the last known address of the person entitled to the

1 ~~dividend is in this state; and~~
 2 ~~(d)(C) the association is:~~
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 4 ~~state; or~~
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6 department;

7 (c) a statement that if proof of claim is not
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10 holder's satisfaction within 65 days from the date of the
11 second published notice, the abandoned property will be
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13 the custody of the department to whom all further claims
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16 notice any item of less than \$25 ~~\$50~~ unless the department
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 13 state affords in the department's judgment the most
 14 favorable market for the property involved. The department
 15 may decline highest bid and reoffer the property for sale if
 16 the department considers the price bid insufficient. The
 17 department need not offer any property for sale if, in the
 18 department's opinion, the probable cost of sale exceeds the
 19 value of the property.

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 25 bonds and United States war bonds shall be presented to the

1 United States for payment. SECURITIES THAT HAVE LITTLE OR NO
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 11 to the property purchased free from all claims of the owner
 12 or prior holder thereof and of all persons claiming through
 13 or under them. The department shall execute all documents
 14 necessary to complete the transfer of title."

-End-

1 SENATE BILL NO. 477
 2 INTRODUCED BY HAGER
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE A
 5 CORPORATION UPON DISSOLUTION TO REPORT AS ABANDONED PROPERTY
 6 THE VALUE OF ALL SHARES OWNED BY SHAREHOLDERS THAT CANNOT BE
 7 LOCATED; ~~TO SUBJECT UNCLAIMED INTANGIBLE PERSONAL PROPERTY~~
 8 ~~IN THE CUSTODY OF THE UNITED STATES TO THE PROVISIONS OF~~
 9 ~~TITLE 70, CHAPTER 9, MCA;~~ TO INCREASE FROM \$25 TO \$50 THE
 10 REQUIREMENT THAT THE DEPARTMENT OF REVENUE PUBLISH NAMES OF
 11 OWNERS OF PROPERTY PRESUMED ABANDONED; TO PROVIDE RELIEF
 12 FROM LIABILITY FOR ANY PERSON WHO DELIVERS DUPLICATE STOCK
 13 TO THE DEPARTMENT; TO PERMIT THE DEPARTMENT TO SELL LISTED
 14 STOCK THROUGH A STOCK DEALER RATHER THAN BY AUCTION;
 15 AMENDING SECTIONS 70-9-204, 70-9-205, 70-9-302, 70-9-304,
 16 AND 70-9-308, MCA."

17
 18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 19 Section 1. Section 70-9-204, MCA, is amended to read:
 20 "70-9-204. Stock, dividends, and distributions of
 21 business association. (1) Any stock or other certificate of
 22 ownership or any dividend, profit, distribution, interest,
 23 payment on principal, or other sum held or owing by a
 24 business association for or to a shareholder, certificate
 25 holder, member, bondholder, or other security holder or a

1 participating patron of a cooperative, who has not claimed
 2 it or corresponded in writing with the business association
 3 concerning it within 7 years after the date prescribed for
 4 payment or delivery is presumed abandoned if it is held or
 5 owing by a business association:
 6 (1)(a) organized under the laws of or created in this
 7 state; or
 8 (2)(b) doing business in this state but not organized
 9 under the laws of or created in this state and the records
 10 of the business association indicate that the last known
 11 address of the person entitled thereto is in this state.
 12 (2) Any intangible interest in a business association
 13 as evidenced by the stock or membership records of the
 14 association is presumed abandoned and the association deemed
 15 the holder thereof when:
 16 (a) the interest in the association is owned by a
 17 person who for more than 7 years has neither NOI claimed a
 18 dividend or other sum referred to in subsection (1); nor
 19 corresponded to writing with the association or otherwise
 20 indicated an interest as evidenced by a memorandum or other
 21 record on file with the association
 22 (b) the association does not know the location of the
 23 owner at the end of the 7-year period
 24 (c) the records of the association indicate that
 25 the last known address of the person entitled to the

1 dividend is in this state; and
 2 (d)(1) the association is:
 3 (i) organized under the laws of or created in this
 4 state; or
 5 (ii) doing business in this state but not organized
 6 under the laws of or created in this state;
 7 (3) Any dividends or other distributions held for or
 8 owing to a person at the time an intangible interest in a
 9 business association is presumed abandoned pursuant to
 10 subsection (2) are presumed abandoned."

11 Section 2. Section 70-9-205, MCA, is amended to read:
 12 "70-9-205. Property of business association or of
 13 banking or financial organization held in course of
 14 dissolution. All intangible personal property distributable
 15 in the course of a voluntary dissolution of a business
 16 association, banking organization, or financial organization
 17 organized under the laws of or created in this state that is
 18 unclaimed by the owner within 2 years after the date for
 19 final distribution is presumed abandoned."

20 Section 3. Section 70-9-207, MCA, is amended to read:
 21 "70-9-207. Property held by court or public officer or
 22 agency. (1) All intangible personal property held for the
 23 owner by any court, public corporation, public authority, or
 24 public officer of this state or a political subdivision
 25 thereof that has remained unclaimed by the owner for more

1 than 7 years is presumed abandoned.

2 (2) All intangible personal property held for the
 3 owner by any court, department, agency, or officer of the
 4 United States, that has remained unclaimed by the owner for
 5 more than 7 years is presumed abandoned when the records of
 6 the holder indicate that the last-known address of the owner
 7 is in this state."

8 Section 4. Section 70-9-302, MCA, is amended to read:
 9 "70-9-302. Notice of property presumed abandoned --
 10 publication -- mail. (1) Within 120 days from the filing of
 11 the report required by 70-9-301, the department of revenue
 12 shall cause notice to be published at least once each week
 13 for 2 successive weeks in an English language newspaper of
 14 general circulation in the county in this state in which is
 15 located the last known address of any person to be named in
 16 the notice. If no address is listed or if the address is
 17 outside this state, the notice shall be published in the
 18 county in which the holder of the abandoned property has his
 19 principal place of business within this state.

20 (2) The published notice shall be entitled "Notice of
 21 Names of Persons Appearing to Be Owners of Abandoned
 22 Property" and shall contain:

23 (a) the names in alphabetical order and last known
 24 addresses, if any, or person listed in the report and
 25 entitled to notice within the county as hereinbefore

1 specified;

2 (b) a statement that information concerning the amount
3 or description of the property and the name and address of
4 the holder may be obtained by any persons possessing an
5 interest in the property by addressing an inquiry to the
6 department;

7 (c) a statement that if proof of claim is not
8 presented by the owner to the holder and if the owner's
9 right to receive the property is not established to the
10 holder's satisfaction within 65 days from the date of the
11 second published notice, the abandoned property will be
12 placed not later than 85 days after such publication date in
13 the custody of the department to whom all further claims
14 must thereafter be directed.

15 (3) The department is not required to publish in such
16 notice any item of less than \$25 ~~\$50~~ unless the department
17 deems such publication to be in the public interest.

18 (4) Within 120 days from the receipt of the report
19 required by 70-9-301, the department shall mail a notice to
20 each person having an address listed therein who appears to
21 be entitled to property of the value of \$25 ~~\$50~~ or more
22 presumed abandoned under parts 1 through 3.

23 (5) The mailed notice shall contain:

24 (a) a statement that, according to a report filed with
25 the department, property is being held to which the

1 addressee appears entitled;

2 (b) the name and address of the person holding the
3 property and any necessary information regarding changes of
4 name and address of the holder;

5 (c) a statement that if satisfactory proof of claim is
6 not presented by the owner to the holder by the date
7 specified in the published notice, the property will be
8 placed in the custody of the department to whom all further
9 claims must be directed.

10 (6) This section is not applicable to sums payable on
11 travelers' checks or money orders presumed abandoned under
12 70-9-201.*

13 Section 5. Section 70-9-304, MCA, is amended to read:
14 "70-9-304. Relief from liability by payment or
15 delivery to department. (1) Upon the payment or delivery of
16 abandoned property to the department of revenue, the state
17 shall assume custody and shall be responsible for the
18 safekeeping thereof.

19 (2) Any person who pays or delivers abandoned property
20 to the department under parts 1 through 3 is relieved of all
21 liability to the extent of the value of the property so paid
22 or delivered for any claim which then exists or which
23 thereafter may arise or be made in respect to the property.

24 ~~(3) Any person who delivers duplicate stock or other~~
25 ~~duplicate certificates of ownership to the department under~~

1 parts 1 through 3 is relieved of all liability for any claim
 2 which then exists or which thereafter may arise or be made
 3 in respect to the property, including but not limited to a
 4 claim by a person attempting to redeem the original
 5 certificate."

6 Section 6. Section 70-9-308, MCA, is amended to read:
 7 "70-9-308. Sale of abandoned property -- notice --
 8 title of purchaser. (1) ~~At~~ Except as provided in subsection
 9 (2), all abandoned property other than money delivered to
 10 the department of revenue under parts 1 through 3 shall
 11 within 1 year after the delivery be sold by the department
 12 to the highest bidder at public sale in whatever city in the
 13 state affords in the department's judgment the most
 14 favorable market for the property involved. The department
 15 may decline highest bid and reoffer the property for sale if
 16 the department considers the price bid insufficient. The
 17 department need not offer any property for sale if, in the
 18 department's opinion, the probable cost of sale exceeds the
 19 value of the property.

20 (2) Securities listed on an established stock exchange
 21 shall be sold at the prevailing prices on such exchange.
 22 Other securities may be sold over the counter at prevailing
 23 prices or by such other method as the department may
 24 determine to be advisable. United States government savings
 25 bonds and United States war bonds shall be presented to the

1 United States for payment. SECURITIES THAT HAVE LITTLE OR NO
 2 VALUE MAY BE HELD BY THE DEPARTMENT OF REVENUE AND SOLD AT
 3 ITS DISCRETION AS PROVIDED BY THIS SECTION.

4 ~~(2)(1)~~ Any sale held under this section shall be
 5 preceded by a single publication of notice thereof at least
 6 3 weeks in advance of sale in an English language newspaper
 7 of general circulation in the county where the property is
 8 to be sold.

9 ~~(3)(1)~~ The purchaser at any sale conducted by the
 10 department pursuant to parts 1 through 3 shall receive title
 11 to the property purchased free from all claims of the owner
 12 or prior holder thereof and of all persons claiming through
 13 or under them. The department shall execute all documents
 14 necessary to complete the transfer of title."

-End-