

Senate Bill No. 75–Committee on Judiciary

CHAPTER.....

AN ACT relating to unclaimed property; providing that United States savings bonds escheat to this State 3 years after becoming unclaimed property under certain circumstances; providing that all property rights and legal title to, and ownership of, such escheated savings bonds vest in this State under certain circumstances; establishing the procedure by which the State Treasurer may pay the proceeds from the redemption of such a bond to a person claiming the bond; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

Under existing law, this State has enacted the Uniform Unclaimed Property Act. The Act establishes the powers, duties and liabilities of the State and other persons concerning certain property which is abandoned and unclaimed by its owner. (Chapter 120A of NRS) Under existing law, the State Treasurer serves as the Administrator of Unclaimed Property. (NRS 226.110)

This bill provides that 3 years after a United States savings bond becomes unclaimed property in this State, the savings bond escheats to the State, and all property rights and legal title to, and ownership of, the savings bond and its proceeds vest in the State. This bill establishes the procedure to obtain the judgment of a court that a United States savings bond has escheated to the State and that all property rights and legal title to, and ownership of, the savings bond and its proceeds have vested in the State. This bill requires the State Treasurer to redeem United States savings bonds that have escheated to the State, and to deposit the proceeds of such redemptions, after paying the costs incidental to collecting and recovering the proceeds, in the State General Fund for credit to the Abandoned Property Trust Account. This bill also authorizes the Administrator, in his or her discretion, to pay a claim filed by certain persons who have filed a claim to the proceeds of such escheated and redeemed United States savings bonds.

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** Chapter 120A of NRS is hereby amended by adding thereto a new section to read as follows:

*1. Notwithstanding any other provision of law, a United States savings bond is presumed abandoned in this State if the United States savings bond:*

*(a) Is in the possession of the Administrator or if the last known address of the apparent owner of the United States savings bond is located in this State; and*



*(b) Is unclaimed pursuant to the provisions of subsection 3 of NRS 120A.500 for 3 years after the date of maturity.*

*2. A United States savings bond that is presumed abandoned in this State pursuant to subsection 1 escheats to this State and all property rights and legal title to, and ownership of, the United States savings bond and proceeds from the bond, including without limitation, all the rights, powers and privileges of survivorship of any owner, co-owner or beneficiary, vest solely in this State according to the procedure set forth in this section.*

*3. Except as otherwise provided in this subsection, if within 180 days after a United States savings bond is presumed abandoned pursuant to subsection 1, no claim to the bond has been filed with the Administrator, the Administrator shall commence a civil action in the First Judicial District Court, or in any other court of competent jurisdiction, for a determination that the bond has escheated to this State. The Administrator may postpone the commencement of such an action until the Administrator determines that sufficient United States savings bonds have accumulated in his or her custody to justify the expense of such a proceeding.*

*4. In any civil action commenced by the Administrator pursuant to subsection 3, service of process must be made by publication in accordance with the provisions of N.R.C.P. 4 and NRS 238.010 to 238.080, inclusive.*

*5. If, in a civil action brought pursuant to subsection 3, no person files a claim to the United States savings bond or appears at a hearing to substantiate his or her claim, or if the court, after considering the claim, determines that the claimant is not entitled to the property claimed by the claimant, the court shall, if satisfied by evidence that the Administrator has substantially complied with the laws of this State, enter a judgment that:*

*(a) The United States savings bond has escheated to the State of Nevada; and*

*(b) All property rights and legal title to, and ownership of, the United States savings bond and proceeds from the bond, including all rights, powers and privileges of survivorship of any owner, co-owner or beneficiary, have vested solely in the State of Nevada.*

*6. The Administrator shall redeem each United States savings bond that has escheated to the State pursuant to this section. After the Administrator has paid from the proceeds from the redemption of a United States savings bond all costs incident to the collection and recovery of the proceeds, the Administrator shall deposit the remainder of the proceeds in the State General Fund for credit to*



*the Abandoned Property Trust Account created by NRS 120A.620. Before making the deposit, the Administrator shall record the name and last known address of the apparent owner of the United States savings bond.*

*7. Notwithstanding any provision of NRS 120A.640 to the contrary:*

*(a) Any person, excluding another state, claiming a United States savings bond which has escheated to the State of Nevada pursuant to this section, or for the proceeds from such a bond, may file a claim with the Administrator.*

*(b) Upon providing sufficient proof of the validity of the person's claim, the Administrator may, in his or her sole discretion, pay the claim less any expenses and costs that have been incurred by the State in securing full title and ownership of the property by escheat.*

*(c) If payment of the proceeds from a United States savings bond have been made to any claimant, no action may thereafter be maintained by any other claimant against the State or any officer thereof, for or on account of those proceeds.*

**Sec. 2.** NRS 120A.620 is hereby amended to read as follows:

120A.620 1. There is hereby created in the State General Fund the Abandoned Property Trust Account.

2. All money received by the Administrator under this chapter, including the proceeds from the sale of abandoned property, must be deposited by the Administrator in the State General Fund for credit to the Account.

3. Before making a deposit, the Administrator shall record the name and last known address of each person appearing from the holders' reports to be entitled to the abandoned property and the name and last known address of each insured person or annuitant, and with respect to each policy or contract listed in the report of an insurance company, its number, the name of the company and the amount due. The record must be available for public inspection at all reasonable business hours.

4. The Administrator may pay from money available in the Account:

(a) Any costs in connection with the sale of abandoned property.

(b) Any costs of mailing and publication in connection with any abandoned property.

(c) Reasonable service charges.

(d) Any costs incurred in examining the records of a holder and in collecting the abandoned property.

(e) Any valid claims filed pursuant to this chapter.



5. Except as otherwise provided in NRS 120A.610, by the end of each fiscal year, the balance in the Account must be transferred as follows:

(a) The first \$7,600,000 each year must be transferred to the Millennium Scholarship Trust Fund created by NRS 396.926.

(b) The remainder must be transferred to the State General Fund, but remains subject to the valid claims of holders pursuant to NRS 120A.590 and owners pursuant to NRS 120A.640 ~~§~~ *and any claims approved for payment by the Administrator pursuant to section 1 of this act.* No such claim may be satisfied from money in the Millennium Scholarship Trust Fund.

6. If there is an insufficient amount of money in the Account to pay any cost or charge pursuant to subsection 4 ~~§~~ *or section 1 of this act,* the State Board of Examiners may, upon the application of the Administrator, authorize a temporary transfer from the State General Fund to the Account of an amount necessary to pay those costs or charges. The Administrator shall repay the amount of the transfer as soon as sufficient money is available in the Account.

**Sec. 3.** This act becomes effective on July 1, 2019.

