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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1244

03/05/2013 Authored by Atkins

The bill was read for the first time and referred to the Committee on Commerce and Consumer Protection Finance and Policy

1.1 A bill for an act
1.2 relating to commerce; regulating unclaimed property; enacting and modifying the
1.3 Uniform Unclaimed Property Act of 1995 adopted and recommended for passage
1.4 by the National Conference of Commissioners on Uniform State Laws; making
1.5 conforming changes in state law; amending Minnesota Statutes 2012, sections
1.6 16A.45, subdivisions 1, 4; 58.06, subdivision 2; 58.13, subdivision 1; 80C.03;
1.7 136G.09, subdivision 10; 198.231; 270B.14, subdivision 17; 276.19, subdivision
1.8 4; 308A.711, subdivision 1; 354B.25, subdivision 6; 356.65, subdivision 2;
1.9 624.68; proposing coding for new law in Minnesota Statutes, chapter 345;
1.10 repealing Minnesota Statutes 2012, sections 345.31; 345.32; 345.321; 345.33;
1.11 345.34; 345.35; 345.36; 345.37; 345.38; 345.381; 345.39; 345.40; 345.41;
1.12 345.42, subdivisions 1, 4; 345.43, subdivisions 2a, 3; 345.44; 345.45; 345.46;
1.13 345.47; 345.48, subdivision 1; 345.485; 345.49; 345.50; 345.51; 345.515; 345.52;
1.14 345.525; 345.53; 345.54; 345.55; 345.56; 345.57; 345.58; 345.59; 345.60.

1.15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.16 ARTICLE 1

1.17 UNIFORM UNCLAIMED PROPERTY ACT

1.18 Section 1. [345.601] DEFINITIONS.

1.19 Subdivision 1. **Scope.** For the purposes of sections 345.601 to 345.647, the terms
1.20 defined in this section have the meanings given them.

1.21 Subd. 2. **Administrator.** "Administrator" means the commissioner of commerce.

1.22 Subd. 3. **Apparent owner.** "Apparent owner" means a person whose name appears
1.23 on the records of a holder as the person entitled to property held, issued, or owing by
1.24 the holder.

1.25 Subd. 4. **Business association.** "Business association" means a corporation, joint
1.26 stock company, investment company, partnership, unincorporated association, joint
1.27 venture, limited liability company, business trust, trust company, safe deposit company,

2.1 financial organization, insurance company, mutual fund, utility, or other business entity
2.2 consisting of one or more persons, whether or not for profit.

2.3 Subd. 5. **Domicile.** "Domicile" means the state of incorporation of a corporation
2.4 and the state of the principal place of business of a holder other than a corporation.

2.5 Subd. 6. **Financial organization.** "Financial organization" means a savings
2.6 association; savings bank or industrial loan and thrift company; banking organization;
2.7 or credit union.

2.8 Subd. 7. **Holder.** "Holder" means a person obligated to hold for the account of, or
2.9 deliver or pay to, the owner property that is subject to sections 345.601 to 345.647.

2.10 Subd. 8. **Insurance company.** "Insurance company" means an association,
2.11 corporation, or fraternal or mutual benefit organization, whether or not for profit, engaged
2.12 in the business of providing life endowments, annuities, or insurance, including accident,
2.13 burial, casualty, credit life, contract performance, dental, disability, fidelity, fire, health,
2.14 hospitalization, illness, life, malpractice, marine, mortgage, surety, wage protection, and
2.15 workers' compensation insurance.

2.16 Subd. 9. **Mineral.** "Mineral" means gas; oil; coal; other gaseous, liquid, and solid
2.17 hydrocarbons; oil shale; cement material; sand and gravel; road material; building stone;
2.18 chemical raw material; gemstone; fissionable and nonfissionable ores; colloidal and other
2.19 clay; steam and other geothermal resource; or any other substance defined as a mineral
2.20 by the law of this state.

2.21 Subd. 10. **Mineral proceeds.** "Mineral proceeds" means amounts payable for the
2.22 extraction, production, or sale of minerals, or, upon the abandonment of those payments,
2.23 all payments that become payable thereafter. The term includes amounts payable:

2.24 (1) for the acquisition and retention of a mineral lease, including bonuses, royalties,
2.25 compensatory royalties, shut-in royalties, minimum royalties, and delay rentals;

2.26 (2) for the extraction, production, or sale of minerals, including net revenue interests,
2.27 royalties, overriding royalties, extraction payments, and production payments; and

2.28 (3) under an agreement or option, including a joint operating agreement, unit
2.29 agreement, pooling agreement, and farm-out agreement.

2.30 Subd. 11. **Money order.** "Money order" includes an express money order and a
2.31 personal money order, on which the remitter is the purchaser. The term does not include a
2.32 bank money order or any other instrument sold by a financial organization if the seller has
2.33 obtained the name and address of the payee.

2.34 Subd. 12. **Owner.** "Owner" means a person who has a legal or equitable interest in
2.35 property subject to sections 345.601 to 345.647 or the person's legal representative. The

3.1 term includes a depositor in the case of a deposit, a beneficiary in the case of a trust other
 3.2 than a deposit in trust, and a claimant or payee in the case of other property.

3.3 Subd. 13. **Person.** "Person" means an individual, business association,
 3.4 financial organization, estate, trust, government, governmental subdivision, agency, or
 3.5 instrumentality, or any other legal or commercial entity.

3.6 Subd. 14. **Property.** "Property" means tangible property described in section
 3.7 345.605 or a fixed and certain interest in intangible property that is held, issued, or owed
 3.8 in the course of a holder's business, or by a government, governmental subdivision,
 3.9 agency, or instrumentality, and all income or increments therefrom. This term includes
 3.10 property that is referred to as or evidenced by:

3.11 (1) money, a check, draft, deposit, interest, or dividend;

3.12 (2) credit balance, customer's overpayment, gift certificate, security deposit, refund,
 3.13 credit memorandum, unpaid wage, unused ticket, mineral proceeds, or unidentified
 3.14 remittance;

3.15 (3) stock or other evidence of ownership of an interest in a business association
 3.16 or financial organization;

3.17 (4) a bond, debenture, note, or other evidence of indebtedness;

3.18 (5) money deposited to redeem stocks, bonds, coupons, or other securities or to
 3.19 make distributions;

3.20 (6) an amount due and payable under the terms of an annuity or insurance policy,
 3.21 including policies providing life insurance, property and casualty insurance, workers'
 3.22 compensation insurance, or health and disability insurance; and

3.23 (7) an amount distributable from a trust or custodial fund established under a plan to
 3.24 provide health, welfare, pension, vacation, severance, retirement, death, stock purchase,
 3.25 profit sharing, employee savings, supplemental unemployment insurance, or similar
 3.26 benefits.

3.27 Subd. 15. **Record.** "Record" means information that is inscribed on a tangible
 3.28 medium or that is stored in an electronic or other medium and is retrievable in perceivable
 3.29 form.

3.30 Subd. 16. **State.** "State" means a state of the United States, the District of Columbia,
 3.31 the Commonwealth of Puerto Rico, or any territory or insular possession subject to the
 3.32 jurisdiction of the United States.

3.33 Subd. 17. **Utility.** "Utility" means a public utility as defined by section 216B.02,
 3.34 subdivision 4.

3.35 **Sec. 2. [345.603] PRESUMPTIONS OF ABANDONMENT.**

4.1 (a) Property is presumed abandoned if it is unclaimed by the apparent owner during
4.2 the time set forth below for the particular property:

4.3 (1) traveler's check, 15 years after issuance;

4.4 (2) money order, seven years after issuance;

4.5 (3) stock or other equity interest in a business association or financial organization,
4.6 including a security entitlement under the Uniform Commercial Code - Investment
4.7 Securities, three years after the earlier of (i) the date of the most recent dividend, stock
4.8 split, or other distribution unclaimed by the apparent owner, or (ii) the date of the second
4.9 mailing of a statement of account or other notification or communication that was
4.10 returned as undeliverable or after the holder discontinued mailings, notifications, or
4.11 communications to the apparent owner;

4.12 (4) debt of a business association or financial organization, other than a bearer bond
4.13 or an original issue discount bond, three years after the date of the most recent interest
4.14 payment unclaimed by the apparent owner;

4.15 (5) a demand, savings, or time deposit, including a deposit that is automatically
4.16 renewable, three years after the earlier of maturity or the date of the last indication by the
4.17 owner of interest in the property; but a deposit that is automatically renewable is deemed
4.18 matured for purposes of this section upon its initial date of maturity, unless the owner has
4.19 consented to a renewal at or about the time of the renewal and the consent is in writing or
4.20 is evidenced by a memorandum or other record on file with the holder;

4.21 (6) money or credits owed to a customer as a result of a retail business transaction,
4.22 three years after the obligation accrued;

4.23 (7) amount owed by an insurer on a life or endowment insurance policy or an
4.24 annuity that has matured or terminated, three years after the obligation to pay arose or, in
4.25 the case of a policy or annuity payable upon proof of death, three years after the insured
4.26 has attained, or would have attained if living, the limiting age under the mortality table on
4.27 which the reserve is based;

4.28 (8) property distributable by a business association or financial organization in a
4.29 course of dissolution, one year after the property becomes distributable;

4.30 (9) property received by a court as proceeds of a class action, and not distributed
4.31 pursuant to the judgment, three years after the distribution date;

4.32 (10) property held by a court, government, governmental subdivision, agency, or
4.33 instrumentality, one year after the property becomes distributable;

4.34 (11) wages or other compensation for personal services, one year after the
4.35 compensation becomes payable;

5.1 (12) deposit or refund owed to a subscriber by a utility, one year after the deposit or
5.2 refund becomes payable;

5.3 (13) property in an individual retirement account, defined benefit plan, or other
5.4 account or plan that is qualified for tax deferral under the income tax laws of the United
5.5 States, three years after the earliest of the date of the distribution or attempted distribution
5.6 of the property, the date of the required distribution as stated in the plan or trust agreement
5.7 governing the plan, or the date, if determinable by the holder, specified in the income tax
5.8 laws of the United States by which distribution of the property must begin in order to
5.9 avoid a tax penalty; and

5.10 (14) all other property, three years after the owner's right to demand the property or
5.11 after the obligation to pay or distribute the property arises, whichever first occurs.

5.12 (b) Paragraph (a) does not include money held or owing by a public pension fund
5.13 enumerated in section 356.20, subdivision 2, or 356.30, subdivision 3, or governed by
5.14 sections 69.77 or 69.771 to 69.776 if the plan governing the public pension fund includes
5.15 a provision governing the disposition of unclaimed amounts of money. Paragraph (a) also
5.16 does not include gift certificates, gift cards, or layaway accounts issued or maintained by a
5.17 person in the business of selling tangible property or services at retail.

5.18 (c) At the time that an interest is presumed abandoned under paragraph (a), any
5.19 other property right accrued or accruing to the owner as a result of the interest, and not
5.20 previously presumed abandoned, is also presumed abandoned.

5.21 (d) Property is unclaimed if, for the applicable period set forth in paragraph (a),
5.22 the apparent owner has not communicated in writing or by other means reflected in a
5.23 contemporaneous record prepared by or on behalf of the holder, with the holder concerning
5.24 the property or the account in which the property is held, and has not otherwise indicated
5.25 an interest in the property. A communication with an owner by a person other than the
5.26 holder or its representative who has not in writing identified the property to the owner is
5.27 not an indication of interest in the property by the owner.

5.28 (e) An indication of an owner's interest in property includes:

5.29 (1) the presentment of a check or other instrument of payment of a dividend or
5.30 other distribution made with respect to an account or underlying stock or other interest in
5.31 a business association or financial organization or, in the case of a distribution made by
5.32 electronic or similar means, evidence that the distribution has been received;

5.33 (2) owner-directed activity in the account in which the property is held, including a
5.34 direction by the owner to increase, decrease, or change the amount or type of property
5.35 held in the account;

5.36 (3) the making of a deposit to or withdrawal from a bank account; and

6.1 (4) the payment of a premium with respect to a property interest in an insurance
6.2 policy; but the application of an automatic premium loan provision or other nonforfeiture
6.3 provision contained in an insurance policy does not prevent a policy from maturing or
6.4 terminating if the insured has died or the insured or the beneficiary of the policy has
6.5 otherwise become entitled to the proceeds before the depletion of the cash surrender value
6.6 of a policy by the application of those provisions.

6.7 (f) Property is payable or distributable for purposes of sections 345.601 to 345.647
6.8 notwithstanding the owner's failure to make demand or present an instrument or document
6.9 otherwise required to obtain payment.

6.10 **Sec. 3. [345.605] CONTENTS OF SAFE DEPOSIT BOX OR OTHER**
6.11 **SAFEKEEPING DEPOSITORY.**

6.12 (a) Tangible property held in a safe deposit box or other safekeeping depository in
6.13 this state in the ordinary course of the holder's business and proceeds resulting from
6.14 the sale of the property permitted by other law are presumed abandoned if the property
6.15 remains unclaimed by the owner for more than five years after expiration of the lease or
6.16 rental period on the box or other depository.

6.17 (b) Any funds or other personal property, tangible or intangible, removed from a safe
6.18 deposit box or any other safekeeping repository in this state on which the lease or rental
6.19 period has expired due to nonpayment of rental charges or other reason, are presumed
6.20 abandoned if the property remains unclaimed by the owner for more than five years from
6.21 the date on which the lease or rental period expired.

6.22 (c) If the amount due for the use or rental of a safe deposit box has remained
6.23 unpaid for a period of six months, the bank, savings bank, trust company, savings and
6.24 loan, or safe deposit company shall, within 60 days of the expiration of that period, send
6.25 by certified mail, addressed to the renter or lessee of the safe deposit box, directed to
6.26 the address standing on its books, a written notice that, if the amount due for the use or
6.27 rental of the safe deposit box is not paid within 60 days after the date of the mailing of
6.28 the notice, it will cause the safe deposit box to be opened and its contents placed in one
6.29 of its general safe deposit boxes.

6.30 (d) Upon the expiration of 60 days from the date of mailing the notice, and in default
6.31 of payment within the 60 days of the amount due for the use or rental of the safe deposit
6.32 box, the bank, savings bank, trust company, savings and loan, or safe deposit company,
6.33 in the presence of its president, vice-president, secretary, treasurer, assistant secretary,
6.34 assistant treasurer or superintendent, or such other person as specifically designated by its
6.35 board of directors, and of a notary public not in its employ, shall cause the safe deposit

7.1 box to be opened and the contents thereof, to be removed and sealed by the notary public
 7.2 in a package, in which the notary public shall enclose a detailed description of the contents
 7.3 of the safe deposit box and upon which the notary public shall mark the name of the renter
 7.4 or lessee and, in the presence of one of the bank officers listed above, the notary public
 7.5 shall place the package in one of the bank's general safe deposit boxes and set out the
 7.6 proceedings in a certificate under the notary public's official seal, which shall be delivered
 7.7 to the bank, savings bank, trust company, savings and loan, or safe deposit company.

7.8 (e) The bank, savings bank, trust company, savings and loan, or safe deposit
 7.9 company shall hold the contents of abandoned safe deposit boxes until they are claimed by
 7.10 the owner or the bank turns them over to the commissioner pursuant to this chapter.

7.11 **Sec. 4. [345.607] RULES FOR TAKING CUSTODY.**

7.12 Except as otherwise provided in sections 345.601 to 345.647 or by other statute of
 7.13 this state, property that is presumed abandoned, whether located in this or another state, is
 7.14 subject to the custody of this state if:

7.15 (1) the last known address of the apparent owner, as shown on the records of the
 7.16 holder, is in this state;

7.17 (2) the records of the holder do not reflect the identity of the person entitled to the
 7.18 property and it is established that the last known address of the person entitled to the
 7.19 property is in this state;

7.20 (3) the records of the holder do not reflect the last known address of the apparent
 7.21 owner and it is established that:

7.22 (i) the last known address of the person entitled to the property is in this state; or

7.23 (ii) the holder is domiciled in this state or is a government or governmental
 7.24 subdivision, agency, or instrumentality of this state and has not previously paid or
 7.25 delivered the property to the state of the last known address of the apparent owner or other
 7.26 person entitled to the property;

7.27 (4) the last known address of the apparent owner, as shown on the records of the
 7.28 holder, is in a state that does not provide for the escheat or custodial taking of the property
 7.29 and the holder is domiciled in this state or is a government or governmental subdivision,
 7.30 agency, or instrumentality of this state;

7.31 (5) the last known address of the apparent owner, as shown on the records of the
 7.32 holder, is in a foreign country and the holder is domiciled in this state or is a government
 7.33 or governmental subdivision, agency, or instrumentality of this state;

7.34 (6) the transaction out of which the property arose occurred in this state, the holder
 7.35 is domiciled in a state that does not provide for the escheat or custodial taking of the

8.1 property, and the last known address of the apparent owner or other person entitled to the
 8.2 property is unknown or is in a state that does not provide for the escheat or custodial
 8.3 taking of the property; or

8.4 (7) the property is a traveler's check or money order purchased in this state, or the
 8.5 issuer of the traveler's check or money order has its principal place of business in this
 8.6 state and the issuer's records show that the instrument was purchased in a state that does
 8.7 not provide for the escheat or custodial taking of the property, or do not show the state
 8.8 in which the instrument was purchased.

8.9 **Sec. 5. [345.609] DORMANCY CHARGE.**

8.10 A holder may deduct from property presumed abandoned a charge imposed by
 8.11 reason of the owner's failure to claim the property within a specified time only if there is a
 8.12 valid and enforceable written contract between the holder and the owner under which the
 8.13 holder may impose the charge and the holder regularly imposes the charge, which is not
 8.14 regularly reversed or otherwise canceled. The amount of the deduction is limited to an
 8.15 amount that is not unconscionable and may not be deducted for a period to exceed one year.

8.16 **Sec. 6. [345.61] BURDEN OF PROOF AS TO PROPERTY EVIDENCED BY**
 8.17 **RECORD OF CHECK OR DRAFT.**

8.18 A record of the issuance of a check, draft, or similar instrument is prima facie
 8.19 evidence of an obligation. In claiming property from a holder who is also the issuer,
 8.20 the administrator's burden of proof as to the existence and amount of the property and
 8.21 its abandonment is satisfied by showing issuance of the instrument and passage of the
 8.22 requisite period of abandonment. Defenses of payment, satisfaction, discharge, and want
 8.23 of consideration are affirmative defenses that must be established by the holder.

8.24 **Sec. 7. [345.611] REPORT OF ABANDONED PROPERTY.**

8.25 (a) A holder of property presumed abandoned shall make a report to the administrator
 8.26 concerning the property.

8.27 (b) The report must be verified and must contain:

8.28 (1) a description of the property;

8.29 (2) except with respect to a traveler's check or money order, the name, if known, and
 8.30 last known address, if any, and the social security number or taxpayer identification number,
 8.31 if readily ascertainable, of the apparent owner of property of the value of \$100 or more;

8.32 (3) an aggregated amount of items valued under \$100 each;

9.1 (4) in the case of an amount of \$100 or more held or owing under an annuity or a life
9.2 or endowment insurance policy, the full name and last known address of the annuitant
9.3 or insured and of the beneficiary;

9.4 (5) in the case of property held in a safe deposit box or other safekeeping depository,
9.5 an indication of the place where it is held and where it may be inspected by the
9.6 administrator, and any amounts owing to the holder;

9.7 (6) the date, if any, on which the property became payable, demandable, or returnable,
9.8 and the date of the last transaction with the apparent owner with respect to the property; and

9.9 (7) other information that the administrator by rule prescribes as necessary for the
9.10 administration of sections 345.601 to 345.647.

9.11 (c) If a holder of property presumed abandoned is a successor to another person who
9.12 previously held the property for the apparent owner or the holder has changed its name
9.13 while holding the property, the holder shall file with the report its former names, if any,
9.14 and the known names and addresses of all previous holders of the property.

9.15 (d) The report must be filed before November 1 of each year and cover the 12
9.16 months next preceding July 1 of that year, but a report with respect to a life insurance
9.17 company must be filed before May 1 of each year for the calendar year next preceding.

9.18 (e) The holder of property presumed abandoned shall send written notice to the
9.19 apparent owner, not more than 120 days or less than 60 days before filing the report, stating
9.20 that the holder is in possession of property subject to sections 345.601 to 345.647, if:

9.21 (1) the holder has in its records an address for the apparent owner which the holder's
9.22 records do not disclose to be inaccurate;

9.23 (2) the claim of the apparent owner is not barred by a statute of limitations; and

9.24 (3) the value of the property is \$100 or more.

9.25 (f) Before the date for filing the report, the holder of property presumed abandoned
9.26 may request the administrator to extend the time for filing the report. The administrator
9.27 may grant the extension for good cause. The holder, upon receipt of the extension, may
9.28 make an interim payment on the amount the holder estimates will ultimately be due, which
9.29 terminates the accrual of additional interest on the amount paid.

9.30 (g) The holder must file the report electronically via the online portal designated
9.31 by the administrator and utilizing the approved National Association of Unclaimed
9.32 Property Administrators (NAUPPA) file format. The reporting requirement includes the
9.33 filing of negative reports.

9.34 (h) The holder of property presumed abandoned shall file with the report an affidavit
9.35 stating that the holder has complied with paragraph (e).

10.1 Sec. 8. **[345.613] PAYMENT OR DELIVERY OF ABANDONED PROPERTY.**

10.2 (a) Except for property held in a safe deposit box or other safekeeping depository,
10.3 upon filing the report required by section 345.611, the holder of property presumed
10.4 abandoned shall pay, deliver, or cause to be paid or delivered to the administrator the
10.5 property described in the report as unclaimed, but if the property is an automatically
10.6 renewable deposit, and a penalty or forfeiture in the payment of interest would result,
10.7 the time for compliance is extended until a penalty or forfeiture would no longer result.
10.8 Tangible property held in a safe deposit box or other safekeeping depository may not be
10.9 delivered to the administrator until 120 days after filing the report required by section
10.10 345.611.

10.11 (b) If the property reported to the administrator is a security or security entitlement
10.12 under the Uniform Commercial Code - Investment Securities, the administrator is an
10.13 appropriate person to make an endorsement, instruction, or entitlement order on behalf of
10.14 the apparent owner to invoke the duty of the issuer or its transfer agent or the securities
10.15 intermediary to transfer or dispose of the security or the security entitlement in accordance
10.16 with the Uniform Commercial Code - Investment Securities.

10.17 (c) If the holder of property reported to the administrator is the issuer of a certificated
10.18 security, the administrator has the right to obtain a replacement certificate pursuant to
10.19 section 336.8-405, but an indemnity bond is not required.

10.20 (d) An issuer, the holder, and any transfer agent or other person acting pursuant to
10.21 the instructions of and on behalf of the issuer or holder in accordance with this section is
10.22 not liable to the apparent owner and must be indemnified against claims of any person in
10.23 accordance with section 345.617.

10.24 Sec. 9. **[345.615] NOTICE AND PUBLICATION OF LISTS OF ABANDONED**
10.25 **PROPERTY.**

10.26 Within the calendar year next following the year in which abandoned property has
10.27 been paid or delivered to the administrator, the administrator shall provide public notice of
10.28 the abandoned property in the manner and frequency the administrator determines to be
10.29 most effective and efficient in communicating to the persons appearing to be owners of the
10.30 property. Public notice may include the use of print, broadcast, or electronic media.

10.31 This section is not applicable to property having a total value less than \$100, or
10.32 information concerning a traveler's check, money order, or similar instrument.

10.33 Sec. 10. **[345.617] CUSTODY BY STATE; RECOVERY BY HOLDER;**
10.34 **DEFENSE OF HOLDER.**

11.1 (a) In this section, payment or delivery is made in "good faith" if:

11.2 (1) payment or delivery was made in a reasonable attempt to comply with sections
11.3 345.601 to 345.647;

11.4 (2) the holder was not then in breach of a fiduciary obligation with respect to the
11.5 property and had a reasonable basis for believing, based on the facts then known, that the
11.6 property was presumed abandoned; and

11.7 (3) there is no showing that the records under which the payment or delivery was
11.8 made did not meet reasonable commercial standards of practice.

11.9 (b) Upon payment or delivery of property to the administrator, the state assumes
11.10 custody and responsibility for the safekeeping of the property. A holder who pays or
11.11 delivers property to the administrator in good faith is relieved of all liability, to the value
11.12 of the property so paid or delivered, arising thereafter with respect to the property.

11.13 (c) A holder who has paid money to the administrator pursuant to sections 345.601
11.14 to 345.647 may subsequently make payment to a person reasonably appearing to the
11.15 holder to be entitled to payment. Upon a filing by the holder of proof of payment and proof
11.16 that the payee was entitled to the payment, the administrator shall promptly reimburse
11.17 the holder for the payment without imposing a fee or other charge. If reimbursement is
11.18 sought for a payment made on a negotiable instrument, including a traveler's check or
11.19 money order, the holder must be reimbursed upon filing proof that the instrument was duly
11.20 presented and that payment was made to a person who reasonably appeared to be entitled
11.21 to payment. The holder must be reimbursed for payment made even if the payment was
11.22 made to a person whose claim was barred under section 345.631, paragraph (a).

11.23 (d) A holder who has delivered property other than money to the administrator
11.24 pursuant to sections 345.601 to 345.647 may reclaim the property if it is still in the
11.25 possession of the administrator, without paying any fee or other charge, upon filing proof
11.26 that the apparent owner has claimed the property from the holder.

11.27 (e) The administrator may accept a holder's affidavit as sufficient proof of the
11.28 holder's right to recover money and property under this section.

11.29 (f) If a holder pays or delivers property to the administrator in good faith and
11.30 thereafter another person claims the property from the holder or another state claims the
11.31 money or property under its laws relating to escheat or abandoned or unclaimed property,
11.32 the administrator, upon written notice of the claim, shall defend the holder against the
11.33 claim and indemnify the holder against any liability, to the value of the property so paid
11.34 or delivered, on the claim resulting from payment or delivery of the property to the
11.35 administrator.

12.1 Sec. 11. **[345.619] INCOME ACCRUING AFTER PAYMENT OR DELIVERY.**

12.2 When property is paid or delivered to the administrator under sections 345.601 to
12.3 345.647, the owner is not entitled to receive income or other increments accruing on
12.4 the property after the payment or delivery.

12.5 Sec. 12. **[345.62] PUBLIC SALE OF ABANDONED PROPERTY.**

12.6 (a) Except as otherwise provided in this section, the administrator, within ten years
12.7 after the receipt of abandoned property, shall sell it to the highest bidder at public sale at a
12.8 location in the state which in the judgment of the administrator affords the most favorable
12.9 market for the property. The administrator may decline the highest bid and reoffer the
12.10 property for sale if the administrator considers the bid to be insufficient. The administrator
12.11 need not offer the property for sale if the administrator considers that the probable cost of
12.12 the sale will exceed the proceeds of the sale.

12.13 (b) Securities listed on an established stock exchange shall be sold at the prevailing
12.14 prices on the exchange. Other securities may be sold over the counter at prevailing prices
12.15 or by another method the commissioner determines advisable. United States government
12.16 savings bonds and United States war bonds shall be presented to the United States for
12.17 payment.

12.18 (c) Holding period. If the property is of a type customarily sold on a recognized
12.19 market or the type that may be sold over the counter at prevailing prices, the administrator
12.20 may sell the property without notice by publication or otherwise. The administrator may
12.21 proceed with the liquidation after holding for one year, with the exception of securities
12.22 being held as the result of an insurance demutualization; these types of securities may
12.23 be sold upon receipt. This section grants the administrator express authority to sell any
12.24 property, including, but not limited to, stocks, bonds, notes, bills, and all other public or
12.25 private securities. A person making a claim under section 345.617 is entitled to receive
12.26 the securities delivered to the administrator by the holder, if they remain in custody of the
12.27 administrator, or the net proceeds received from the sale, and is not entitled to receive
12.28 any appreciation in the value of the property occurring after the sale by the administrator.
12.29 The administrator may liquidate all unclaimed securities currently held in custody in
12.30 accordance with this section.

12.31 (d) A purchaser of property at a sale conducted by the administrator pursuant to
12.32 sections 345.601 to 345.647 takes the property free of all claims of the owner or previous
12.33 holder and of all persons claiming through or under them. The administrator shall execute
12.34 all documents necessary to complete the transfer of ownership.

13.1 Sec. 13. **[345.621] DEPOSIT OF FUNDS.**

13.2 The administrator shall promptly deposit in the general fund of this state all funds
13.3 received under sections 345.601 to 345.647, including the proceeds from the sale of
13.4 abandoned property under section 345.62; except that unclaimed restitution payments held
13.5 by a court under section 345.38 shall be deposited in the crime victim account created in
13.6 section 611A.612. The administrator shall record the name and last known address of each
13.7 person appearing from the holders' reports to be entitled to the property and the name and
13.8 last known address of each insured person or annuitant and beneficiary and with respect
13.9 to each policy or annuity listed in the report of an insurance company, its number, the
13.10 name of the company, and the amount due.

13.11 Sec. 14. **[345.623] CLAIM OF ANOTHER STATE TO RECOVER PROPERTY.**

13.12 (a) After property has been paid or delivered to the administrator under sections
13.13 345.601 to 345.647, another state may recover the property if:

13.14 (1) the property was paid or delivered to the custody of this state because the
13.15 records of the holder did not reflect a last known location of the apparent owner within
13.16 the borders of the other state and the other state establishes that the apparent owner or
13.17 other person entitled to the property was last known to be located within the borders of
13.18 that state and under the laws of that state the property has escheated or become subject
13.19 to a claim of abandonment by that state;

13.20 (2) the property was paid or delivered to the custody of this state because the laws of
13.21 the other state did not provide for the escheat or custodial taking of the property, and under
13.22 the laws of that state subsequently enacted the property has escheated or become subject
13.23 to a claim of abandonment by that state;

13.24 (3) the records of the holder were erroneous in that they did not accurately identify
13.25 the owner of the property and the last known location of the owner within the borders of
13.26 another state and under the laws of that state the property has escheated or become subject
13.27 to a claim of abandonment by that state;

13.28 (4) the property was subjected to custody by this state under section 345.607, clause
13.29 (6), and under the laws of the state of domicile of the holder the property has escheated or
13.30 become subject to a claim of abandonment by that state; or

13.31 (5) the property is a sum payable on a traveler's check, money order, or similar
13.32 instrument that was purchased in the other state and delivered into the custody of this state
13.33 under section 345.607, clause (7), and under the laws of the other state the property has
13.34 escheated or become subject to a claim of abandonment by that state.

14.1 (b) A claim of another state to recover escheated or abandoned property must be
14.2 presented in a form prescribed by the administrator, who shall decide the claim within 90
14.3 days after it is presented. The administrator shall allow the claim upon determining that
14.4 the other state is entitled to the abandoned property under paragraph (a).

14.5 (c) The administrator shall require another state, before recovering property under
14.6 this section, to agree to indemnify this state and its officers and employees against any
14.7 liability on a claim to the property.

14.8 Sec. 15. **[345.625] FILING CLAIM WITH ADMINISTRATOR; HANDLING**
14.9 **OF CLAIMS BY ADMINISTRATOR.**

14.10 (a) A person, excluding another state, claiming property paid or delivered to the
14.11 administrator may file a claim on a form prescribed by the administrator and verified by
14.12 the claimant.

14.13 (b) Within 90 days after a claim is filed, the administrator shall allow or deny the
14.14 claim and give written notice of the decision to the claimant. If the claim is denied, the
14.15 administrator shall inform the claimant of the reasons for the denial and specify what
14.16 additional evidence is required before the claim will be allowed. The claimant may then
14.17 file a new claim with the administrator or maintain an action under section 345.627.

14.18 (c) A holder who pays the owner for property that has been delivered to the state and
14.19 which, if claimed from the administrator by the owner would be subject to an increment
14.20 under sections 345.619 and 345.62, may recover from the administrator the amount of
14.21 the increment.

14.22 Sec. 16. **[345.627] ACTION TO ESTABLISH CLAIM.**

14.23 A person aggrieved by a decision of the administrator or whose claim has not been
14.24 acted upon within 90 days after its filing may maintain an original action to establish the
14.25 claim in the district court, naming the administrator as a defendant.

14.26 Sec. 17. **[345.629] ELECTION TO TAKE PAYMENT OR DELIVERY.**

14.27 (a) The administrator may decline to receive property reported under sections
14.28 345.601 to 345.647 which the administrator considers to have a value less than the
14.29 expenses of notice and sale.

14.30 (b) A holder, with the written consent of the administrator and upon conditions and
14.31 terms prescribed by the administrator, may report and deliver property before the property
14.32 is presumed abandoned. Property so delivered must be held by the administrator and is

15.1 not presumed abandoned until it otherwise would be presumed abandoned under sections
15.2 345.601 to 345.647.

15.3 **Sec. 18. [345.63] DESTRUCTION OR DISPOSITION OF PROPERTY HAVING**
15.4 **NO SUBSTANTIAL COMMERCIAL VALUE; IMMUNITY FROM LIABILITY.**

15.5 If the administrator determines after investigation that property delivered under
15.6 sections 345.601 to 345.647 has no substantial commercial value, the administrator may
15.7 destroy or otherwise dispose of the property at any time. An action or proceeding may not
15.8 be maintained against the state or any officer or against the holder for or on account of an act
15.9 of the administrator under this section, except for intentional misconduct or malfeasance.

15.10 **Sec. 19. [345.631] PERIODS OF LIMITATION.**

15.11 (a) The expiration, before or after the effective date of sections 345.601 to 345.647,
15.12 of a period of limitation on the owner's right to receive or recover property, whether
15.13 specified by contract, statute, or court order, does not preclude the property from being
15.14 presumed abandoned or affect a duty to file a report or to pay or deliver or transfer
15.15 property to the administrator as required by sections 345.601 to 345.647.

15.16 (b) An action or proceeding may not be maintained by the administrator to enforce
15.17 sections 345.601 to 345.647 in regard to the reporting, delivery, or payment of property
15.18 more than ten years after the holder specifically identified the property in a report filed with
15.19 the administrator or gave express notice to the administrator of a dispute regarding the
15.20 property. In the absence of such a report or other express notice, the period of limitation is
15.21 tolled. The period of limitation is also tolled by the filing of a report that is fraudulent.

15.22 **Sec. 20. [345.633] REQUESTS FOR REPORTS AND EXAMINATION OF**
15.23 **RECORDS.**

15.24 (a) The administrator may require a person who has not filed a report, or a person
15.25 who the administrator believes has filed an inaccurate, incomplete, or false report, to file a
15.26 verified report in a form specified by the administrator. The report must state whether the
15.27 person is holding property reportable under sections 345.601 to 345.647, describe property
15.28 not previously reported or as to which the administrator has made inquiry, and specifically
15.29 identify and state the amounts of property that may be in issue.

15.30 (b) The administrator, at reasonable times and upon reasonable notice, may examine
15.31 the records of any person to determine whether the person has complied with sections
15.32 345.601 to 345.647. The administrator may conduct the examination even if the person
15.33 believes it is not in possession of any property that must be reported, paid, or delivered

16.1 under sections 345.601 to 345.647. The administrator may contract with any other person
16.2 to conduct the examination on behalf of the administrator.

16.3 (c) The administrator at reasonable times may examine the records of an agent,
16.4 including a dividend disbursing agent or transfer agent, of a business association or
16.5 financial association that is the holder of property presumed abandoned if the administrator
16.6 has given the notice required by paragraph (b) to both the association or organization and
16.7 the agent at least 90 days before the examination.

16.8 (d) Documents and working papers obtained or compiled by the administrator, or
16.9 the administrator's agents, employees, or designated representatives, in the course of
16.10 conducting an examination are confidential and are not public records, but the documents
16.11 and papers may be:

16.12 (1) used by the administrator in the course of an action to collect unclaimed property
16.13 or otherwise enforce sections 345.601 to 345.647;

16.14 (2) used in joint examinations conducted with or pursuant to an agreement with
16.15 another state, the federal government, or any other governmental subdivision, agency,
16.16 or instrumentality;

16.17 (3) produced pursuant to subpoena or court order; or

16.18 (4) disclosed to the abandoned property office of another state for that state's use in
16.19 circumstances equivalent to those described in this section, if the other state is bound to
16.20 keep the documents and papers confidential.

16.21 (e) If an examination of the records of a person results in the disclosure of property
16.22 reportable under sections 345.601 to 345.647, the administrator may assess the cost of the
16.23 examination against the holder at the rate of \$200 a day for each examiner, or a greater
16.24 amount that is reasonable and was incurred, but the assessment may not exceed the value of
16.25 the property found to be reportable. The cost of an examination made pursuant to paragraph
16.26 (c) may be assessed only against the business association or financial organization.

16.27 (f) If, after the effective date of sections 345.601 to 345.647, a holder does not
16.28 maintain the records required by section 345.635 and the records of the holder available
16.29 for the periods subject to sections 345.601 to 345.647 are insufficient to permit the
16.30 preparation of a report, the administrator may require the holder to report and pay to the
16.31 administrator the amount the administrator reasonably estimates, on the basis of any
16.32 available records of the holder or by any other reasonable method of estimation, should
16.33 have been but was not reported.

16.34 **Sec. 21. [345.635] RETENTION OF RECORDS.**

17.1 (a) Except as otherwise provided in paragraph (b), a holder required to file a report
17.2 under section 345.611 shall maintain the records containing the information required to be
17.3 included in the report for ten years after the holder files the report, unless a shorter period
17.4 is provided by rule of the administrator.

17.5 (b) A business association or financial organization that sells, issues, or provides
17.6 to others for sale or issue in this state, traveler's checks, money orders, or similar
17.7 instruments other than third-party bank checks, on which the business association or
17.8 financial organization is directly liable, shall maintain a record of the instruments while
17.9 they remain outstanding, indicating the state and date of issue, for three years after the
17.10 holder files the report.

17.11 **Sec. 22. [345.637] ENFORCEMENT.**

17.12 The administrator may maintain an action in this or another state to enforce sections
17.13 345.601 to 345.647.

17.14 **Sec. 23. [345.639] INTERSTATE AGREEMENTS AND COOPERATION;**
17.15 **JOINT AND RECIPROCAL ACTIONS WITH OTHER STATES.**

17.16 (a) The administrator may enter into an agreement with another state to exchange
17.17 information relating to abandoned property or its possible existence. The agreement may
17.18 permit the other state, or another person acting on behalf of a state, to examine records
17.19 as authorized in section 345.633. The administrator by rule may require the reporting of
17.20 information needed to enable compliance with an agreement made under this section
17.21 and prescribe the form.

17.22 (b) The administrator may join with another state to seek enforcement of sections
17.23 345.601 to 345.647 against any person who is or may be holding property reportable
17.24 under sections 345.601 to 345.647.

17.25 (c) At the request of another state, the attorney general of this state may maintain an
17.26 action on behalf of the other state to enforce, in this state, the unclaimed property laws of
17.27 the other state against a holder of property subject to escheat or a claim of abandonment
17.28 by the other state, if the other state has agreed to pay expenses incurred by the attorney
17.29 general in maintaining the action.

17.30 (d) The administrator may request that the attorney general of another state or
17.31 another attorney commence an action in the other state on behalf of the administrator.
17.32 With the approval of the attorney general of this state, the administrator may retain any
17.33 other attorney to commence an action in this state on behalf of the administrator. This
17.34 state shall pay all expenses, including attorney's fees, in maintaining an action under this

18.1 paragraph. With the administrator's approval, the expenses and attorney's fees may be
18.2 paid from money received under sections 345.601 to 345.647. The administrator may
18.3 agree to pay expenses and attorney's fees based in whole or in part on a percentage of the
18.4 value of any property recovered in the action. Any expenses or attorney's fees paid under
18.5 this paragraph may not be deducted from the amount that is subject to the claim by the
18.6 owner under sections 345.601 to 345.647.

18.7 **Sec. 24. [345.64] INTEREST AND PENALTIES.**

18.8 (a) A holder who fails to report, pay, or deliver property within the time prescribed
18.9 by sections 345.601 to 345.647 shall pay to the administrator interest at the annual rate of
18.10 two percentage points above the annual rate of discount in effect on the date the property
18.11 should have been paid or delivered for the most recent issue of 52-week United States
18.12 Treasury bills on the property or value thereof from the date the property should have
18.13 been reported, paid, or delivered.

18.14 (b) Except as otherwise provided in paragraph (c), a holder who fails to report,
18.15 pay, or deliver property within the time prescribed by sections 345.601 to 345.647, or
18.16 fails to perform other duties imposed by sections 345.601 to 345.647, shall pay to the
18.17 administrator, in addition to interest as provided in paragraph (a), a civil penalty of \$200
18.18 for each day the report, payment, or delivery is withheld, or the duty is not performed, up
18.19 to a maximum of \$5,000.

18.20 (c) A holder who willfully fails to report, pay, or deliver property within the time
18.21 prescribed by sections 345.601 to 345.647, or willfully fails to perform other duties
18.22 imposed by sections 345.601 to 345.647, shall pay to the administrator, in addition to
18.23 interest as provided in paragraph (a), a civil penalty of \$1,000 for each day the report,
18.24 payment, or delivery is withheld, or the duty is not performed, up to a maximum of \$25,000,
18.25 plus 25 percent of the value of any property that should have been but was not reported.

18.26 (d) A holder who makes a fraudulent report shall pay to the administrator, in addition
18.27 to interest as provided in paragraph (a), a civil penalty of \$1,000 for each day from the
18.28 date a report under sections 345.601 to 345.647 was due, up to a maximum of \$25,000,
18.29 plus 25 percent of the value of any property that should have been but was not reported.

18.30 (e) The administrator for good cause may waive, in whole or in part, interest under
18.31 paragraph (a) and penalties under paragraphs (b) and (c), and shall waive penalties if the
18.32 holder acted in good faith and without negligence.

18.33 **Sec. 25. [345.641] AGREEMENT TO LOCATE PROPERTY.**

19.1 (a) An agreement by an owner, the primary purpose of which is to locate, deliver,
19.2 recover, or assist in the recovery of property that is presumed abandoned, is void and
19.3 unenforceable if it was entered into during the period commencing on the date the property
19.4 was presumed abandoned and extending to a time that is 24 months after the date the
19.5 property is paid or delivered to the administrator. This paragraph does not apply to an
19.6 owner's agreement with an attorney to file a claim as to identified property or contest the
19.7 administrator's denial of a claim.

19.8 (b) An agreement by an owner, the primary purpose of which is to locate, deliver,
19.9 recover, or assist in the recovery of property, is enforceable only if the agreement is in
19.10 writing, clearly sets forth the nature of the property and the services to be rendered, is
19.11 signed by the apparent owner, and states the value of the property before and after the fee
19.12 or other compensation has been deducted.

19.13 (c) If an agreement covered by this section applies to mineral proceeds and the
19.14 agreement contains a provision to pay compensation that includes a portion of the
19.15 underlying minerals or any mineral proceeds not then presumed abandoned, the provision
19.16 is void and unenforceable.

19.17 (d) An agreement covered by this section which provides for compensation that
19.18 is unconscionable is unenforceable except by the owner. To be enforceable under this
19.19 section, the agreement must be in writing and signed by the owners and must disclose
19.20 the nature and value of the property and the name and address of the holder thereof as
19.21 these facts have been reported.

19.22 (e) This section does not preclude an owner from asserting that an agreement
19.23 covered by this section is invalid on grounds other than unconscionable compensation.

19.24 **Sec. 26. [345.643] TRANSITIONAL PROVISIONS.**

19.25 (a) An initial report filed under sections 345.601 to 345.647 for property that was
19.26 not required to be reported before the effective date of sections 345.601 to 345.647 but
19.27 which is subject to sections 345.601 to 345.647 must include all items of property that
19.28 would have been presumed abandoned during the ten-year period next preceding the
19.29 effective date of sections 345.601 to 345.647 as if sections 345.601 to 345.647 had been in
19.30 effect during that period.

19.31 (b) Sections 345.601 to 345.647 do not relieve a holder of a duty that arose before
19.32 the effective date of sections 345.601 to 345.647 to report, pay, or deliver property. Except
19.33 as otherwise provided in section 345.631, paragraph (b), a holder who did not comply
19.34 with the law in effect before the effective date of sections 345.601 to 345.647 is subject

20.1 to the applicable provisions for enforcement and penalties which then existed, which are
 20.2 continued in effect for the purpose of this section.

20.3 Sec. 27. **[345.645] RULES.**

20.4 The administrator may adopt rules under chapter 14 necessary to carry out sections
 20.5 345.601 to 345.647.

20.6 Sec. 28. **[345.647] SHORT TITLE.**

20.7 Sections 345.601 to 345.647 may be cited as the Uniform Unclaimed Property Act.

20.8 Sec. 29. **REPEALER.**

20.9 Minnesota Statutes 2012, sections 345.31; 345.32; 345.321; 345.33; 345.34; 345.35;
 20.10 345.36; 345.37; 345.38; 345.381; 345.39; 345.40; 345.41; 345.42, subdivisions 1 and 4;
 20.11 345.43, subdivisions 2a and 3; 345.44; 345.45; 345.46; 345.47; 345.48, subdivision 1;
 20.12 345.485; 345.49; 345.50; 345.51; 345.515; 345.52; 345.525; 345.53; 345.54; 345.55;
 20.13 345.56; 345.57; 345.58; 345.59; and 345.60, are repealed.

20.14 Sec. 30. **EFFECTIVE DATE.**

20.15 This act is effective January 1, 2014.

20.16 ARTICLE 2

20.17 CONFORMING CHANGES

20.18 Section 1. Minnesota Statutes 2012, section 16A.45, subdivision 1, is amended to read:

20.19 Subdivision 1. **Cancel; credit.** Once each fiscal year the commissioner shall cancel
 20.20 upon the books all outstanding unpaid commissioner's warrants that have been issued and
 20.21 delivered on or before June 30 of the preceding year and credit state amounts subject
 20.22 to section 345.43 and federal amounts to the appropriate account in the federal fund.
 20.23 These warrants are presumed abandoned under section ~~345.38~~ 345.603 and are subject to
 20.24 sections ~~345.31~~ 345.601 to ~~345.60~~ 345.647.

20.25 Sec. 2. Minnesota Statutes 2012, section 16A.45, subdivision 4, is amended to read:

20.26 Subd. 4. **Locating unpaid warrants.** A person may not seek or receive from
 20.27 another person, or contract with a person for, a fee or compensation for locating
 20.28 outstanding unpaid commissioner's warrants before the warrants have been reported to the
 20.29 commissioner of commerce under section ~~345.41~~ 345.611.

21.1 Sec. 3. Minnesota Statutes 2012, section 58.06, subdivision 2, is amended to read:

21.2 Subd. 2. **Application contents.** (a) The application must contain the name and
21.3 complete business address or addresses of the license applicant. The license applicant
21.4 must be a partnership, limited liability partnership, association, limited liability company,
21.5 corporation, or other form of business organization, and the application must contain the
21.6 names and complete business addresses of each partner, member, director, and principal
21.7 officer. The application must also include a description of the activities of the license
21.8 applicant, in the detail and for the periods the commissioner may require.

21.9 (b) A residential mortgage originator applicant must submit a surety bond that meets
21.10 the requirements of section 58.08, subdivision 1a.

21.11 (c) The application must also include all of the following:

21.12 (1) an affirmation under oath that the applicant:

21.13 (i) is in compliance with the requirements of section 58.125;

21.14 (ii) will advise the commissioner of any material changes to the information
21.15 submitted in the most recent application within ten days of the change;

21.16 (iii) will advise the commissioner in writing immediately of any bankruptcy petitions
21.17 filed against or by the applicant or licensee;

21.18 (iv) will maintain at all times a surety bond in the amount of at least \$100,000;

21.19 (v) complies with federal and state tax laws; and

21.20 (vi) complies with sections ~~345.31~~ 345.601 to ~~345.60~~ 345.647, the Minnesota
21.21 Uniform Unclaimed Property law Act;

21.22 (2) information as to the mortgage lending, servicing, or brokering experience of the
21.23 applicant and persons in control of the applicant;

21.24 (3) information as to criminal convictions, excluding traffic violations, of persons in
21.25 control of the license applicant;

21.26 (4) whether a court of competent jurisdiction has found that the applicant or persons
21.27 in control of the applicant have engaged in conduct evidencing gross negligence, fraud,
21.28 misrepresentation, or deceit in performing an act for which a license is required under
21.29 this chapter;

21.30 (5) whether the applicant or persons in control of the applicant have been the subject
21.31 of: an order of suspension or revocation, cease and desist order, or injunctive order, or
21.32 order barring involvement in an industry or profession issued by this or another state or
21.33 federal regulatory agency or by the Secretary of Housing and Urban Development within
21.34 the ten-year period immediately preceding submission of the application; and

21.35 (6) other information required by the commissioner.

22.1 Sec. 4. Minnesota Statutes 2012, section 58.13, subdivision 1, is amended to read:

22.2 Subdivision 1. **Generally.** (a) No person acting as a residential mortgage originator
22.3 or servicer, including a person required to be licensed under this chapter, and no person
22.4 exempt from the licensing requirements of this chapter under section 58.04, except as
22.5 otherwise provided in paragraph (b), shall:

22.6 (1) fail to maintain a trust account to hold trust funds received in connection with a
22.7 residential mortgage loan;

22.8 (2) fail to deposit all trust funds into a trust account within three business days of
22.9 receipt; commingle trust funds with funds belonging to the licensee or exempt person; or
22.10 use trust account funds for any purpose other than that for which they are received;

22.11 (3) unreasonably delay the processing of a residential mortgage loan application,
22.12 or the closing of a residential mortgage loan. For purposes of this clause, evidence of
22.13 unreasonable delay includes but is not limited to those factors identified in section 47.206,
22.14 subdivision 7, clause (d);

22.15 (4) fail to disburse funds according to its contractual or statutory obligations;

22.16 (5) fail to perform in conformance with its written agreements with borrowers,
22.17 investors, other licensees, or exempt persons;

22.18 (6) charge a fee for a product or service where the product or service is not actually
22.19 provided, or misrepresent the amount charged by or paid to a third party for a product
22.20 or service;

22.21 (7) fail to comply with sections ~~345.31~~ 345.601 to ~~345.60~~ 345.647, the Minnesota
22.22 Uniform Unclaimed Property law Act;

22.23 (8) violate any provision of any other applicable state or federal law regulating
22.24 residential mortgage loans including, without limitation, sections 47.20 to 47.208 and
22.25 47.58;

22.26 (9) make or cause to be made, directly or indirectly, any false, deceptive, or
22.27 misleading statement or representation in connection with a residential loan transaction
22.28 including, without limitation, a false, deceptive, or misleading statement or representation
22.29 regarding the borrower's ability to qualify for any mortgage product;

22.30 (10) conduct residential mortgage loan business under any name other than that
22.31 under which the license or certificate of exemption was issued;

22.32 (11) compensate, whether directly or indirectly, coerce or intimidate an appraiser for
22.33 the purpose of influencing the independent judgment of the appraiser with respect to the
22.34 value of real estate that is to be covered by a residential mortgage or is being offered as
22.35 security according to an application for a residential mortgage loan;

23.1 (12) issue any document indicating conditional qualification or conditional approval
23.2 for a residential mortgage loan, unless the document also clearly indicates that final
23.3 qualification or approval is not guaranteed, and may be subject to additional review;

23.4 (13) make or assist in making any residential mortgage loan with the intent that the
23.5 loan will not be repaid and that the residential mortgage originator will obtain title to
23.6 the property through foreclosure;

23.7 (14) provide or offer to provide for a borrower, any brokering or lending services
23.8 under an arrangement with a person other than a licensee or exempt person, provided that
23.9 a person may rely upon a written representation by the residential mortgage originator that
23.10 it is in compliance with the licensing requirements of this chapter;

23.11 (15) claim to represent a licensee or exempt person, unless the person is an employee
23.12 of the licensee or exempt person or unless the person has entered into a written agency
23.13 agreement with the licensee or exempt person;

23.14 (16) fail to comply with the record keeping and notification requirements identified
23.15 in section 58.14 or fail to abide by the affirmations made on the application for licensure;

23.16 (17) represent that the licensee or exempt person is acting as the borrower's agent
23.17 after providing the nonagency disclosure required by section 58.15, unless the disclosure
23.18 is retracted and the licensee or exempt person complies with all of the requirements of
23.19 section 58.16;

23.20 (18) make, provide, or arrange for a residential mortgage loan that is of a lower
23.21 investment grade if the borrower's credit score or, if the originator does not utilize credit
23.22 scoring or if a credit score is unavailable, then comparable underwriting data, indicates
23.23 that the borrower may qualify for a residential mortgage loan, available from or through
23.24 the originator, that is of a higher investment grade, unless the borrower is informed that the
23.25 borrower may qualify for a higher investment grade loan with a lower interest rate and/or
23.26 lower discount points, and consents in writing to receipt of the lower investment grade loan;

23.27 For purposes of this section, "investment grade" refers to a system of categorizing
23.28 residential mortgage loans in which the loans are: (i) commonly referred to as "prime" or
23.29 "subprime"; (ii) commonly designated by an alphabetical character with "A" being the
23.30 highest investment grade; and (iii) are distinguished by interest rate or discount points
23.31 or both charged to the borrower, which vary according to the degree of perceived risk
23.32 of default based on factors such as the borrower's credit, including credit score and
23.33 credit patterns, income and employment history, debt ratio, loan-to-value ratio, and prior
23.34 bankruptcy or foreclosure;

23.35 (19) make, publish, disseminate, circulate, place before the public, or cause to be
23.36 made, directly or indirectly, any advertisement or marketing materials of any type, or any

24.1 statement or representation relating to the business of residential mortgage loans that is
24.2 false, deceptive, or misleading;

24.3 (20) advertise loan types or terms that are not available from or through the licensee
24.4 or exempt person on the date advertised, or on the date specified in the advertisement.

24.5 For purposes of this clause, advertisement includes, but is not limited to, a list of sample
24.6 mortgage terms, including interest rates, discount points, and closing costs provided by
24.7 licensees or exempt persons to a print or electronic medium that presents the information
24.8 to the public;

24.9 (21) use or employ phrases, pictures, return addresses, geographic designations, or
24.10 other means that create the impression, directly or indirectly, that a licensee or other
24.11 person is a governmental agency, or is associated with, sponsored by, or in any manner
24.12 connected to, related to, or endorsed by a governmental agency, if that is not the case;

24.13 (22) violate section 82.77, relating to table funding;

24.14 (23) make, provide, or arrange for a residential mortgage loan all or a portion
24.15 of the proceeds of which are used to fully or partially pay off a "special mortgage"
24.16 unless the borrower has obtained a written certification from an authorized independent
24.17 loan counselor that the borrower has received counseling on the advisability of the
24.18 loan transaction. For purposes of this section, "special mortgage" means a residential
24.19 mortgage loan originated, subsidized, or guaranteed by or through a state, tribal, or
24.20 local government, or nonprofit organization, that bears one or more of the following
24.21 nonstandard payment terms which substantially benefit the borrower: (i) payments vary
24.22 with income; (ii) payments of principal or interest are not required or can be deferred under
24.23 specified conditions; (iii) principal or interest is forgivable under specified conditions;
24.24 or (iv) where no interest or an annual interest rate of two percent or less is charged in
24.25 connection with the loan. For purposes of this section, "authorized independent loan
24.26 counselor" means a nonprofit, third-party individual or organization providing homebuyer
24.27 education programs, foreclosure prevention services, mortgage loan counseling, or credit
24.28 counseling certified by the United States Department of Housing and Urban Development,
24.29 the Minnesota Home Ownership Center, the Minnesota Mortgage Foreclosure Prevention
24.30 Association, AARP, or NeighborWorks America;

24.31 (24) make, provide, or arrange for a residential mortgage loan without verifying
24.32 the borrower's reasonable ability to pay the scheduled payments of the following, as
24.33 applicable: principal; interest; real estate taxes; homeowner's insurance, assessments,
24.34 and mortgage insurance premiums. For loans in which the interest rate may vary, the
24.35 reasonable ability to pay shall be determined based on a fully indexed rate and a repayment
24.36 schedule which achieves full amortization over the life of the loan. For all residential

25.1 mortgage loans, the borrower's income and financial resources must be verified by tax
25.2 returns, payroll receipts, bank records, or other similarly reliable documents.

25.3 Nothing in this section shall be construed to limit a mortgage originator's or exempt
25.4 person's ability to rely on criteria other than the borrower's income and financial resources
25.5 to establish the borrower's reasonable ability to repay the residential mortgage loan,
25.6 including criteria established by the United States Department of Veterans Affairs or the
25.7 United States Department of Housing and Urban Development for interest rate reduction
25.8 refinancing loans or streamline loans, or criteria authorized or promulgated by the
25.9 Federal National Mortgage Association or Federal Home Loan Mortgage Corporation;
25.10 however, such other criteria must be verified through reasonably reliable methods and
25.11 documentation. The mortgage originator's analysis of the borrower's reasonable ability
25.12 to repay may include, but is not limited to, consideration of the following items, if
25.13 verified: (1) the borrower's current and expected income; (2) current and expected cash
25.14 flow; (3) net worth and other financial resources other than the consumer's equity in the
25.15 dwelling that secures the loan; (4) current financial obligations; (5) property taxes and
25.16 insurance; (6) assessments on the property; (7) employment status; (8) credit history; (9)
25.17 debt-to-income ratio; (10) credit scores; (11) tax returns; (12) pension statements; and
25.18 (13) employment payment records, provided that no mortgage originator shall disregard
25.19 facts and circumstances that indicate that the financial or other information submitted by
25.20 the consumer is inaccurate or incomplete. A statement by the borrower to the residential
25.21 mortgage originator or exempt person of the borrower's income and resources or sole
25.22 reliance on any single item listed above is not sufficient to establish the existence of the
25.23 income or resources when verifying the reasonable ability to pay.

25.24 (25) engage in "churning." As used in this section, "churning" means knowingly or
25.25 intentionally making, providing, or arranging for a residential mortgage loan when the
25.26 new residential mortgage loan does not provide a reasonable, tangible net benefit to the
25.27 borrower considering all of the circumstances including the terms of both the new and
25.28 refinanced loans, the cost of the new loan, and the borrower's circumstances;

25.29 (26) the first time a residential mortgage originator orally informs a borrower of the
25.30 anticipated or actual periodic payment amount for a first-lien residential mortgage loan
25.31 which does not include an amount for payment of property taxes and hazard insurance,
25.32 the residential mortgage originator must inform the borrower that an additional amount
25.33 will be due for taxes and insurance and, if known, disclose to the borrower the amount of
25.34 the anticipated or actual periodic payments for property taxes and hazard insurance. This
25.35 same oral disclosure must be made each time the residential mortgage originator orally
25.36 informs the borrower of a different anticipated or actual periodic payment amount change

26.1 from the amount previously disclosed. A residential mortgage originator need not make
 26.2 this disclosure concerning a refinancing loan if the residential mortgage originator knows
 26.3 that the borrower's existing loan that is anticipated to be refinanced does not have an
 26.4 escrow account; or

26.5 (27) make, provide, or arrange for a residential mortgage loan, other than a reverse
 26.6 mortgage pursuant to United States Code, title 15, chapter 41, if the borrower's compliance
 26.7 with any repayment option offered pursuant to the terms of the loan will result in negative
 26.8 amortization during any six-month period.

26.9 (b) Paragraph (a), clauses (24) through (27), do not apply to a state or federally
 26.10 chartered bank, savings bank, or credit union, an institution chartered by Congress under
 26.11 the Farm Credit Act, or to a person making, providing, or arranging a residential mortgage
 26.12 loan originated or purchased by a state agency or a tribal or local unit of government. This
 26.13 paragraph supersedes any inconsistent provision of this chapter.

26.14 Sec. 5. Minnesota Statutes 2012, section 80C.03, is amended to read:

26.15 **80C.03 EXEMPTIONS.**

26.16 The registration requirement imposed by section 80C.02 shall not apply to the
 26.17 following provided that the method of offer or sale is not used for the purpose of evading
 26.18 sections 80C.01 to 80C.22:

26.19 (a) the offer or sale of a franchise owned by that franchisee, or the offer or sale of the
 26.20 entire area franchise owned by the subfranchisor making the offer or sale if the sale is not
 26.21 effected by or through a franchisor; provided, however, that no person shall make more
 26.22 than one sale during any period of 12 consecutive months of a franchise or area franchise
 26.23 granted by a single franchisor. A sale is not effected by or through a franchisor merely
 26.24 because a franchisor has a right to approve or disapprove a different franchisee;

26.25 (b) any transaction by an executor, administrator, sheriff, receiver, trustee in
 26.26 bankruptcy, guardian or conservator;

26.27 (c) any offer or sale to a ~~banking organization~~, financial organization or life insurance
 26.28 ~~corporation~~ company within the meanings given these terms by section ~~345.31~~ 345.601;

26.29 (d) securities currently registered in this state pursuant to chapter 80A;

26.30 (e) the offer or sale of a franchise, not including an area franchise, provided that:

26.31 (1) the franchisor shall make no more than one sale of a franchise pursuant to this
 26.32 exemption during any period of 12 consecutive months;

26.33 (2) the franchisor has not advertised the franchise for sale to the general public in
 26.34 newspapers or other publications of general circulation or otherwise by radio, television,

27.1 electronic means or similar communications media, or through a program of general
27.2 solicitation by means of mail or telephone;

27.3 (3) the franchisor deposits all franchisee fees within two days of receipt in an escrow
27.4 account until all obligations of the franchisor to the franchisee which are, pursuant to the
27.5 terms of the franchise agreement, to be performed prior to the opening of the franchise, have
27.6 been performed. The franchisor shall provide the franchisee with a purchase receipt for the
27.7 franchise fees paid, a copy of the escrow agreement and the name, address and telephone
27.8 number of the escrow agent. The escrow agent shall be a bank located in Minnesota. Upon
27.9 a showing of good cause the commissioner may waive the escrow of franchise fees; and

27.10 (4) the franchisor has provided to the commissioner, no later than ten business
27.11 days prior to the sale, a written notice of its intention to offer or sell a franchise pursuant
27.12 to this exemption;

27.13 (f) the offer or sale of a fractional franchise;

27.14 (g) any transaction which the commissioner by rule or order exempts as not being
27.15 within the purposes of this chapter and the registration of which the commissioner finds is
27.16 not necessary or appropriate in the public interest or for the protection of investors; and

27.17 (h) the offer or sale of a franchise to a resident of a foreign state, territory, or country
27.18 who is neither domiciled in this state nor actually present in this state, if the franchise
27.19 business is not to be operated wholly or partly in this state, and if the sale of this franchise
27.20 is not in violation of any law of the foreign state, territory, or county concerned.

27.21 Sec. 6. Minnesota Statutes 2012, section 136G.09, subdivision 10, is amended to read:

27.22 Subd. 10. **Dormant accounts.** (a) The plan administrator shall attempt to locate
27.23 the account owner or the beneficiary, or both, to determine the disposition of a dormant
27.24 account. A fee of five percent of the total account balance of the dormant account, not to
27.25 exceed \$100, plus allowable costs, may be charged for this service. Costs will not exceed
27.26 \$100 or five percent of the total account balance in the dormant account, whichever is less.

27.27 (b) If the account owner, or the account owner's legal heirs, are not found after three
27.28 attempts by the plan administrator, the remaining funds in the dormant account must
27.29 be turned over to the office. The funds are treated as unclaimed property for purposes
27.30 of sections ~~345.31~~ 345.601 to ~~345.60~~ 345.647, and the office shall turn all remaining
27.31 dormant account funds over to the commissioner of commerce. If the dormant account
27.32 has a matching grant account, all amounts in the beneficiary's matching grant account, if
27.33 any, must be returned to the office.

28.1 Sec. 7. Minnesota Statutes 2012, section 198.231, is amended to read:

28.2 **198.231 PERSONAL PROPERTY OF DISCHARGED RESIDENTS.**

28.3 Personal property of discharged residents of the veterans homes that remains
 28.4 unclaimed for one year after discharge may be inventoried, appraised, and sold. The
 28.5 proceeds from the sale must be deposited into the state treasury. Proceeds from the sale of
 28.6 personal property and any funds held on behalf of the resident in the member's depository
 28.7 accounts must be credited to a separate state account and disposed of in accordance with
 28.8 sections ~~345.41~~ 345.611 to ~~345.43~~ 345.615.

28.9 Sec. 8. Minnesota Statutes 2012, section 270B.14, subdivision 17, is amended to read:

28.10 Subd. 17. **Disclosure to Department of Commerce.** The commissioner may
 28.11 disclose to the commissioner of commerce information required to administer the Uniform
 28.12 ~~Disposition of Unclaimed Property Act~~ in sections ~~345.31~~ 345.601 to ~~345.60~~ 345.647,
 28.13 including the Social Security numbers of the taxpayers whose refunds are on the report of
 28.14 abandoned property submitted by the commissioner to the commissioner of commerce
 28.15 under section ~~345.41~~ 345.611. Except for data published under section ~~345.42~~ 345.615,
 28.16 the information received that is private or nonpublic data retains its classification, and can
 28.17 be used by the commissioner of commerce only for the purpose of verifying that the
 28.18 persons claiming the refunds are the owners.

28.19 Sec. 9. Minnesota Statutes 2012, section 276.19, subdivision 4, is amended to read:

28.20 Subd. 4. **Applicability.** Sections ~~345.31~~ 345.601 to ~~345.60~~ 345.647 do not apply to
 28.21 unclaimed property tax refunds, overpayments, and warrants.

28.22 Sec. 10. Minnesota Statutes 2012, section 308A.711, subdivision 1, is amended to read:

28.23 Subdivision 1. **Alternate procedure to disburse property.** Notwithstanding the
 28.24 provisions of section ~~345.43~~ 345.613, a cooperative may, in lieu of paying or delivering to
 28.25 the commissioner of commerce the unclaimed property specified in its report of unclaimed
 28.26 property, distribute the unclaimed property to a corporation or organization that is exempt
 28.27 from taxation under section 290.05, subdivision 1, paragraph (b), or 2.

28.28 Sec. 11. Minnesota Statutes 2012, section 354B.25, subdivision 6, is amended to read:

28.29 Subd. 6. **Disposition of abandoned public pension amounts.** (a) Any unclaimed
 28.30 plan account amounts are presumed to be abandoned, but are not subject to the provisions
 28.31 of sections ~~345.31~~ 345.601 to ~~345.60~~ 345.647. If the account remains unclaimed after
 28.32 five years following the date that the plan administrator first attempts to locate the former

29.1 member, surviving spouse, or other beneficiary, the unclaimed plan account amount
 29.2 cancels and must be credited to the reserve account specified in paragraph (b).

29.3 (b) The board must establish a separate account to receive unclaimed plan account
 29.4 amounts. A portion of this reserve account and any investment earnings attributable to
 29.5 this reserve account are to be used to offset the reasonable and necessary expenses of
 29.6 the individual retirement account plan, including costs incurred in efforts to locate lost
 29.7 participants, surviving spouses, or other beneficiaries.

29.8 (c) If the unclaimed plan account amount exceeded \$25 and the inactive member,
 29.9 surviving spouse, or beneficiary, whichever is applicable, establishes a valid claim to the
 29.10 forfeited account, the forfeited account is to be reestablished in an amount equal to the
 29.11 amount originally forfeited. The board must ensure that the reserve account has sufficient
 29.12 assets to cover any transfers needed to reestablish accounts.

29.13 Sec. 12. Minnesota Statutes 2012, section 356.65, subdivision 2, is amended to read:

29.14 Subd. 2. **Disposition of abandoned amounts.** Any unclaimed public pension
 29.15 fund amounts existing in any public pension fund are presumed to be abandoned, but are
 29.16 not subject to the provisions of sections ~~345.31~~ 345.601 to ~~345.60~~ 345.647. Unless the
 29.17 benefit plan of the public pension fund specifically provides for a different disposition of
 29.18 unclaimed or abandoned funds or amounts, any unclaimed public pension fund amounts
 29.19 cancel and must be credited to the public pension fund. If the unclaimed public pension
 29.20 fund amount exceeds \$25 and the inactive or former member again becomes a member of
 29.21 the applicable public pension plan or applies for a retirement annuity under section 3A.12,
 29.22 352.72, 352B.30, 353.71, 354.60, or 356.30, whichever applies, the canceled amount
 29.23 must be restored to the credit of the person.

29.24 Sec. 13. Minnesota Statutes 2012, section 624.68, is amended to read:

29.25 **624.68 RECEIVING DEPOSIT IN INSOLVENT BANKS OR FINANCIAL**
 29.26 **ORGANIZATIONS.**

29.27 Every officer, director, agent, or employee of any ~~banking organization or financial~~
 29.28 organization as defined in section ~~345.31~~ 345.601 and every person, company, and
 29.29 corporation engaged in whole or in part, in business as a ~~banking organization or financial~~
 29.30 organization, who shall accept or receive on deposit from any person, any money, bank
 29.31 bills, notes, currency, checks, bills, drafts, or paper circulating as money, knowing
 29.32 or, in the case of officers or directors, having good reason to know that such ~~banking~~
 29.33 ~~organization or financial organization~~ is insolvent, and every person knowing of such
 29.34 insolvent condition who shall be accessory to, or permit, or connive at the accepting or

30.1 receiving on deposit therein any such deposits, shall be guilty of a felony and punished by
30.2 imprisonment in the Minnesota Correctional Facility-Stillwater for not less than one year
30.3 nor more than five years or by a fine of not less than \$1,000 nor more than \$20,000.

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ARTICLE 1 UNIFORM UNCLAIMED PROPERTY ACT Page.Ln 1.16
ARTICLE 2 CONFORMING CHANGES Page.Ln 20.16

345.31 DEFINITIONS AND USE OF TERMS.

Subdivision 1. **Scope.** As used in sections 345.31 to 345.60, unless the context otherwise requires, the terms defined in this section shall have the meanings ascribed to them.

Subd. 2. **Banking organization.** "Banking organization" means any bank, trust company, savings bank, safe deposit company or private banker engaged in business in this state.

Subd. 3. **Business association.** "Business association" means any corporation, joint stock company, business trust, partnership, cooperative, or any association for business purposes of two or more individuals.

Subd. 3a. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subd. 4. **Financial organization.** "Financial organization" means any savings association, credit union, industrial loan and thrift company or investment company engaged in business in this state.

Subd. 5. **Holder.** "Holder" means any person in possession of property subject to sections 345.31 to 345.60 belonging to another, or who is trustee in case of a trust, or is indebted to another on an obligation subject to sections 345.31 to 345.60.

Subd. 6. **Life insurance corporation.** "Life insurance corporation" means any association or corporation, including a fraternal benefit society as defined in section 64B.01, 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.

Subd. 6a. **Money order.** "Money order" includes an express money order and a personal money order, on which the remitter is the purchaser. The term does not include a bank order or any other instrument sold by a financial organization if the seller has obtained the name and address of the payee.

Subd. 7. **Owner.** "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 sections 345.31 to 345.60 or the person's legal representative.

Subd. 8. **Person.** "Person" means any individual, business association, government or political subdivision, public corporation, public authority, estate, trust, two or more persons having a joint or common interest, or any other legal or commercial entity.

Subd. 9. **Utility.** "Utility" means any person 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.

345.32 PROPERTY HELD BY BANKING OR FINANCIAL ORGANIZATIONS OR BY BUSINESS ASSOCIATIONS.

The following property held or owing by a banking or financial organization or by a business association is presumed abandoned:

(a) Any demand, savings or matured time deposit made in this state with a banking organization, together with any interest or dividend thereon, excluding contracted service charges which may be deducted for a period not to exceed one year, unless the owner has, within three years:

(1) increased or decreased the amount of the deposit, or presented the passbook or other similar evidence of the deposit for the crediting of interest; or

(2) corresponded in writing with the banking organization concerning the deposit; or

(3) otherwise indicated an interest in the deposit as evidenced by a memorandum on file with the banking organization; or

(4) received tax reports or regular statements of the deposit by mail from the banking or financial organization regarding the deposit. Receipt of the statement by the owner should be presumed if the statement is mailed first class by the banking or financial organization and not returned; or

(5) acted as provided in paragraphs (1), (2), (3) and (4) of this subsection in regard to another demand, savings or time deposit made with the banking or financial organization.

(b) Any funds or dividends deposited or paid in this state toward the purchase of shares or other interest in a business association where the stock certificates or other evidence of interest in the business have not been issued, or in a financial organization, and any interest or dividends thereon, excluding contracted service charges which may be deducted for a period not to exceed one year, unless the owner has within three years:

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(1) increased or decreased the amount of the funds or deposit, or presented an appropriate record for the crediting of interest or dividends; or

(2) corresponded in writing with the financial organization concerning the funds or deposit; or

(3) otherwise indicated an interest in the funds or deposit as evidenced by a memorandum on file with the financial organization; or

(4) received tax reports or regular statements of the deposit or accounting by mail from the financial organization or business association regarding the deposit. Receipt of the statement by the owner should be presumed if the statement is mailed first class by the financial organization or business association and not returned.

(c) Any sum, excluding contracted service charges which may be deducted for a period not to exceed one year, payable on checks certified in this state or on written instruments issued in this state, or issued in any other state the law in which for any reason does not apply to the abandonment of sums payable on checks certified in that state or written instruments issued in that state, on which a banking or financial organization or business association is directly liable, including, by way of illustration but not of limitation, drafts, money orders and traveler's checks, that has been outstanding for more than three years from the date it was payable, or from the date of its issuance if payable on demand, or, in the case of traveler's checks, has been outstanding for more than 15 years from the date of its issuance, or, in the case of money orders, has been outstanding for more than seven years from the date of its issuance, unless the owner has within three years, or within 15 years in the case of traveler's checks, or within seven years in the case of money orders, corresponded in writing with the banking or financial organization or business association concerning it, or otherwise indicated an interest as evidenced by a memorandum on file with the banking or financial organization or business association.

(d) Any funds or other personal property, tangible or intangible, removed from a safe deposit box or any other safekeeping repository in this state on which the lease or rental period has expired due to nonpayment of rental charges or other reason, that have been unclaimed by the owner for more than five years from the date on which the lease or rental period expired.

(1) If the amount due for the use or rental of a safe deposit box has remained unpaid for a period of six months, the bank, savings bank, trust company, savings and loan, or safe deposit company shall, within 60 days of the expiration of that period, send by certified mail, addressed to the renter or lessee of the safe deposit box, directed to the address standing on its books, a written notice that, if the amount due for the use or rental of the safe deposit box is not paid within 60 days after the date of the mailing of the notice, it will cause the safe deposit box to be opened and its contents placed in one of its general safe deposit boxes.

(2) Upon the expiration of 60 days from the date of mailing the notice, and in default of payment within the 60 days of the amount due for the use or rental of the safe deposit box, the bank, savings bank, trust company, savings and loan, or safe deposit company, in the presence of its president, vice-president, secretary, treasurer, assistant secretary, assistant treasurer or superintendent, or such other person as specifically designated by its board of directors, and of a notary public not in its employ, shall cause the safe deposit box to be opened and the contents thereof, to be removed and sealed by the notary public in a package, in which the notary public shall enclose a detailed description of the contents of the safe deposit box and upon which the notary public shall mark the name of the renter or lessee and, in the presence of one of the bank officers listed above, the notary public shall place the package in one of the bank's general safe deposit boxes and set out the proceedings in a certificate under the notary public's official seal, which shall be delivered to the bank, savings bank, trust company, savings and loan, or safe deposit company.

(3) The bank, savings bank, trust company, savings and loan, or safe deposit company shall hold the contents of abandoned safe deposit boxes until they are claimed by the owner or the bank turns them over to the commissioner pursuant to this chapter.

345.321 DORMANCY CHARGE FOR MONEY ORDERS.

Notwithstanding any law to the contrary, a holder may annually deduct, from a money order presumed abandoned, a charge imposed by reason of the owner's failure to claim the property within a specified time. The holder may deduct the charge only if: (1) there is a valid and enforceable written contract between the holder and the owner under which the holder may impose the charge; (2) the holder regularly imposes the charge; and (3) the charge is not regularly

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reversed or otherwise canceled. The total amount of the deduction is limited to an amount that is not unconscionable.

345.33 UNCLAIMED FUNDS HELD BY LIFE INSURANCE CORPORATIONS.

(a) 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.

(b) "Unclaimed funds," as used in this section, means all moneys held and owing by any life insurance corporation unclaimed and unpaid for more than three 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. A life insurance policy not matured by actual proof of the death of the insured is deemed to be matured and the 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 three years, (1) assigned, readjusted or paid premiums on the policy, or subjected the policy to loan, or (2) corresponded in writing with the life insurance corporation concerning the policy. Moneys or drafts 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.

345.34 DEPOSITS HELD BY UTILITIES.

Any deposit held or owing by any utility made by a subscriber to secure payment for, or any sum paid in advance for, utility services to be furnished in this state, excluding any charges that may lawfully be withheld, that has remained unclaimed by the person appearing on the records of the utility entitled thereto for more than one year after the termination of the services for which the deposit or advance payment was made is presumed abandoned.

345.35 STOCK AND OTHER INTANGIBLE INTERESTS IN BUSINESS ASSOCIATIONS.

(a) Except as provided in paragraphs (b) and (e), stock or other intangible ownership interest in a business association, the existence of which is evidenced by records available to the association, is presumed abandoned and, with respect to the interest, the association is the holder, if a dividend distribution or other sum payable as a result of the interest has remained unclaimed by the owner for three years and the owner within three years has not:

(1) communicated in writing with the association regarding the interest or a dividend, distribution, or other sum payable as a result of the interest; or

(2) otherwise communicated with the association regarding the interest or a dividend, distribution, or other sum payable as a result of the interest, as evidenced by a memorandum or other record on file with the association prepared by an employee of the association.

(b) At the expiration of a three-year period following the failure of the owner to claim a dividend, distribution, or other sum payable to the owner as a result of the interest, the interest is not presumed abandoned unless there have been at least three dividends, distributions, or other sums paid during the period, none of which has been claimed by the owner. If three dividends, distributions, or other sums are paid during the three-year period, the period leading to a presumption of abandonment commences on the date payment of the first such unclaimed dividend, distribution, or other sum became due and payable. If three dividends, distributions, or other sums are not paid during the presumptive period, the period continues to run until there have been three dividends, distributions, or other sums that have not been claimed by the owner.

(c) The running of the three-year period of abandonment ceases immediately upon the occurrence of a communication referred to in paragraph (a). If any future dividend, distribution, or other sum payable to the owner as a result of the interest is subsequently not claimed by the owner, a new period of abandonment commences and relates back to the time a subsequent dividend, distribution, or other sum became due and payable.

(d) At the time an interest is presumed abandoned under this section, any dividend, distribution, or other sum then held for or owing to the owner as a result of the interest, and not previously presumed abandoned, is presumed abandoned.

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(e) This section does not apply to any stock or other intangible ownership interest enrolled in a plan that provides for the automatic reinvestment of dividends, distributions, or other sums payable as a result of the interest unless the records available to the administrator of the plan show, with respect to any intangible ownership interest not enrolled in the reinvestment plan, that the owner has not within three years communicated in any manner described in paragraph (a).

(f) For purposes of this section, stock or other intangible ownership interest in a business association 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.

345.36 PROPERTY OF BUSINESS ASSOCIATIONS AND BANKING OR FINANCIAL ORGANIZATIONS HELD IN COURSE OF DISSOLUTION.

All intangible personal property distributable in the course of a voluntary dissolution of a business association, banking organization or financial organization organized under the laws of or created in this state, that is unclaimed by the owner within six months after the date for final distribution, is presumed abandoned.

345.37 PROPERTY HELD BY FIDUCIARIES.

All 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 three 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 if:

(a) 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

(b) 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

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

345.38 PROPERTY HELD BY STATE COURTS AND PUBLIC OFFICERS AND AGENCIES.

Subdivision 1. **Personal property held by court or public authority.** All 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 three years is presumed abandoned except as provided in section 524.3-914.

Subd. 2. **Property held for persons in public institutions.** This section shall not apply to property held for persons while residing in public correctional or other institutions. As to such persons, said property shall be presumed abandoned if it has remained unclaimed by the owner for more than three years after such residence ceases.

Subd. 3. **Personal property held by government or political subdivision or agency.** All intangible personal property held for the owner by any government or political subdivision or agency, that has remained unclaimed by the owner for more than three years is presumed abandoned and is reportable pursuant to section 345.41, if:

(a) the last known address as shown on the records of the holder of the apparent owner is in this state; or

(b) no address of the apparent owner appears on the records of the holder; and

(1) the last known address of the apparent owner is in this state; or

(2) the holder is domiciled in this state and has not previously transferred the property to the state of the last known address of the apparent owner.

345.381 PROPERTY HELD BY MINNESOTA PUBLIC PENSION FUND.

No amounts of money held or owing by a public pension fund enumerated in section 356.20, subdivision 2, or 356.30, subdivision 3, or governed by sections 69.77 or 69.771 to 69.776 shall be presumed to have been abandoned for purposes of sections 345.41, 345.42, 345.43,

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345.47 and 345.48 if the plan governing the public pension fund includes a provision governing the disposition of unclaimed amounts of money.

345.39 MISCELLANEOUS PERSONAL PROPERTY HELD FOR ANOTHER PERSON.

Subdivision 1. **Presumed abandonment.** All intangible personal property, not otherwise covered by sections 345.31 to 345.60, including any income or increment thereon, but excluding any charges that may lawfully be withheld, 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 three years after it became payable or distributable is presumed abandoned. Property covered by this section includes, but is not limited to: (a) unclaimed worker's compensation; (b) deposits or payments for repair or purchase of goods or services; (c) credit checks or memos, or customer overpayments; (d) unidentified remittances, unrefunded overcharges; (e) unpaid claims, unpaid accounts payable or unpaid commissions; (f) unpaid mineral proceeds, royalties or vendor checks; and (g) credit balances, accounts receivable and miscellaneous outstanding checks. This section does not include money orders. "Intangible property" does not include gift certificates, gift cards, or layaway accounts issued or maintained by any person in the business of selling tangible property or services at retail and such items shall not be subject to this section.

Subd. 2. **Cooperative property.** Notwithstanding subdivision 1, any profit, distribution, or other sum held or owing by a cooperative for or to a participating patron of the cooperative is presumed abandoned only if it has remained unclaimed by the owner for more than seven years after it became payable or distributable.

Subd. 3. **Unpaid compensation.** Notwithstanding subdivision 1, unpaid compensation for personal services or wages, including wages represented by un-presented payroll checks, owing in the ordinary course of the holder's business that remain unclaimed by the owner for more than one year after becoming payable are presumed abandoned.

345.40 RECIPROCITY FOR PROPERTY PRESUMED ABANDONED OR ESCHEATED UNDER THE LAWS OF ANOTHER STATE.

If specific property which is subject to the provisions of sections 345.32, 345.35, 345.36, 345.37 and 345.39 is held for or owed or distributable to an owner whose last known address is in another state by a holder who is subjected to the jurisdiction of that state, the specific property is not presumed abandoned in this state and subject to sections 345.31 to 345.60 if:

(a) it may be validly claimed as abandoned or escheated under the laws of such other state; and

(b) 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.

345.41 REPORT OF ABANDONED PROPERTY.

(a) Every person holding funds or other property, tangible or intangible, presumed abandoned under sections 345.31 to 345.60 shall report annually to the commissioner with respect to the property as hereinafter provided.

(b) The report shall be verified and shall include:

(1) except with respect to traveler's checks and money orders, the name, if known, and last known address, if any, of each person appearing from the records of the holder to be the owner of any property of the value of \$100 or more presumed abandoned under sections 345.31 to 345.60;

(2) in case of unclaimed funds of life insurance corporations, the full name of the policyholder, insured or annuitant and that person's last known address according to the life insurance corporation's records;

(3) the nature and identifying number, if any, or description of the property and the amount appearing from the records to be due, except that items of value under \$100 each may be reported in aggregate;

(4) 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; and

(5) other information which the commissioner prescribes by rule as necessary for the administration of sections 345.31 to 345.60.

(c) If the person holding property presumed abandoned is a successor to other persons who previously held the property for the owner, or if the holder has changed a name while holding

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the property, the holder shall file with the report all prior known names and addresses of each holder of the property.

(d) The report shall be filed before November 1 of each year as of June 30 next preceding, but the report of life insurance corporations shall be filed before October 1 of each year as of December 31 next preceding. The commissioner may postpone the reporting date upon written request by any person required to file a report.

(e) Not more than 120 days before filing the report required by this section, the holder in possession of property abandoned and subject to custody as unclaimed property under this chapter shall send written notice to the presumed owner at that owner's last known address informing the owner that the holder is in possession of property subject to this chapter and advising the owner of the steps necessary to prevent abandonment if:

(1) the holder has in its records an address for the presumed owner that the holder's records do not disclose to be inaccurate;

(2) the claim of the apparent owner is not barred by the statute of limitations; and

(3) the property has a value of \$100 or more.

(f) 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.

(g) Holders of property described in section 345.32 shall not impose any charges against property which is described in section 345.32, clause (a), (b) or (c).

(h) Any person who has possession of property which the person has reason to believe will be reportable in the future as unclaimed property may, with the permission of the commissioner, report and deliver such property prior to the date required for reporting in accordance with this section.

(i) Before the last day of each calendar year, the commissioner of revenue shall report to the commissioner as unclaimed property under this section any uncashed checks or warrants for overpayments of taxes that were issued more than two years preceding the date of the report.

345.42 NOTICE AND PUBLICATION OF LISTS OF ABANDONED PROPERTY.

Subdivision 1. **Commissioner's duty.** Within the calendar year next following the year in which abandoned property has been paid or delivered to the commissioner, the commissioner shall provide public notice of the abandoned property in the manner and frequency the commissioner determines to be most effective and efficient in communicating to the persons appearing to be owners of this property. Public notice may include the use of print, broadcast, or electronic media. The commissioner shall, at a minimum, expend 15 percent of the funds allocated by the legislature to the operations of the unclaimed property division, to comply with the public notice requirements of this subdivision.

Subd. 4. **Exceptions.** This section is not applicable to sums payable on traveler's checks or money orders presumed abandoned under section 345.32.

345.43 PAYMENT OR DELIVERY OF ABANDONED PROPERTY.

Subd. 2a. **Holder's obligations.** At the time of the filing of the report required under section 345.41 and with that report, the holder reporting property presumed abandoned and subject to custody as unclaimed property shall pay or deliver to the commissioner all of the property shown on the report and remaining unclaimed by the apparent owner.

Upon written request showing good cause, the commissioner may postpone the payment or delivery upon the terms or conditions the commissioner considers necessary and appropriate.

The property paid or delivered to the commissioner shall include all interest, dividends, increments, and accretions due, payable, or distributable on the property on November 1, or October 1 for a life insurance company. If payment or delivery is postponed, the property paid or delivered to the commissioner shall include accretions due, payable, or distributable on the day that the property is paid or delivered to the commissioner.

Subd. 3. **Evidence of ownership.** The holder of an interest under section 345.35 shall deliver a duplicate certificate or other evidence of ownership if the holder does not issue certificates of ownership to the commissioner. Upon delivery of a duplicate certificate to the commissioner, the holder and any transfer agent, registrar, or other person acting for or on behalf of a holder in executing or delivering the duplicate certificate is relieved of all liability of every kind in accordance with the provision of section 345.44 to every person, including any person acquiring the original certificate or the duplicate of the certificate issued to the commissioner, for

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any losses or damages resulting to any person by the issuance and delivery to the commissioner of the duplicate certificate.

345.44 RELIEF FROM LIABILITY BY PAYMENT OR DELIVERY.

Upon the payment or delivery of abandoned property to the commissioner, the state shall assume custody and shall be responsible for the safekeeping thereof and for payment of any claim successfully brought against any holder on account of any abandoned property paid or delivered to the commissioner. Any person who pays or delivers abandoned property to the commissioner under sections 345.31 to 345.60 is relieved of all liability to the extent of the value of the property so paid or delivered for any claim which then exists or which thereafter may arise or be made in respect to the property by any claimant, including any state. The state indemnifies and holds harmless such person as against any such claim and any loss and damage related thereto, provided that such person shall notify the commissioner of any legal proceedings against such person in relation to such claim within ten days after service of process upon such person and thus give the state an opportunity of defending such person in such proceeding. Any holder who has paid moneys to the commissioner pursuant to sections 345.31 to 345.60 may make payment to any person reasonably appearing to such holder to be entitled thereto, and upon proof of such payment and proof that the payee reasonably appeared entitled thereto, the commissioner shall forthwith reimburse the holder for the payment.

345.45 INCOME ACCRUING AFTER PAYMENT OR DELIVERY.

When property is paid or delivered to the commissioner under sections 345.31 to 345.60, the owner is not entitled to receive income or other increments accruing thereafter.

345.46 PERIOD OF LIMITATION.

(a) The expiration of a period of limitation on the owner's right to receive or recover property, whether specified by contract, statute, or court order, does not preclude the property from being presumed abandoned or affect a duty to file a report or to pay or deliver or transfer property to the administrator as required by sections 345.31 to 345.60. This paragraph applies to any expiration of a period of limitations that occurs whether before or after the effective date of sections 345.31 to 345.60.

(b) An action or proceeding may not be maintained by the administrator to enforce sections 345.31 to 345.60 in regard to the reporting, delivery, or payment of property more than ten years after the holder specifically identified the property in a report filed with the administrator or gave express notice to the administrator of a dispute regarding the property. In the absence of such a report or other express notice, the period of limitation is tolled. The period of limitation is also tolled by the filing of a report that is fraudulent.

345.47 SALE OF ABANDONED PROPERTY.

Subdivision 1. **Public sale.** Except as provided in subdivisions 3 and 5, all abandoned property other than money delivered to the commissioner under sections 345.31 to 345.60 shall be sold by the commissioner to the highest bidder at public sale in whatever city in the state the commissioner judges to afford the most favorable market for the property involved. The sale must be held whenever the commissioner deems necessary but at least once every ten years. The commissioner may decline the highest bid and reoffer the property for sale if the commissioner considers the price bid insufficient. The commissioner need not offer any property for sale if of the opinion that the probable cost of sale exceeds the value of the property.

Subd. 2. **Notice.** Any sale held under this section shall be preceded by a single publication of notice thereof, at least three weeks in advance of sale in an English language newspaper of general circulation in the county where the property is to be sold.

Subd. 3. **Securities.** Securities listed on an established stock exchange shall be sold at the prevailing prices on the exchange. Other securities may be sold over the counter at prevailing prices or by another method the commissioner determines advisable. United States government savings bonds and United States war bonds shall be presented to the United States for payment.

Subd. 3a. **Holding period.** If the property is of a type customarily sold on a recognized market or of a type that may be sold over the counter at prevailing prices, the commissioner may sell the property without notice by publication or otherwise. The commissioner may proceed with the liquidation after holding for one year, with the exception of securities being held as the result of an insurance company demutualization, these types of securities may be sold upon receipt.

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This section grants to the commissioner express authority to sell any property, including, but not limited to, stocks, bonds, notes, bills, and all other public or private securities. A person making a claim under section 345.35 is entitled to receive the securities delivered to the administrator by the holder, if they remain in the custody of the administrator, or the net proceeds received from sale, and is not entitled to receive any appreciation in the value of the property occurring after sale by the commissioner. The commissioner may liquidate all unclaimed securities currently held in custody in accordance with this section.

Subd. 4. **Title to property.** The purchaser at any sale conducted by the commissioner pursuant to sections 345.31 to 345.60 and the Minnesota Historical Society under subdivision 5 shall receive title to the property purchased or selected, free from all claims of the owner or prior holder thereof and of all persons claiming through or under them. The commissioner shall execute all documents necessary to complete the transfer of title.

Subd. 5. **Historic items.** The commissioner shall provide the Minnesota Historical Society with an inventory of abandoned property, other than money, six months prior to public sale. The society may select for its collections any items it finds of historical value. The society shall make its selection before the commissioner appraises or sorts the material for public sale. The society has 90 days from the date of notification by the commissioner to exercise the authority granted by this subdivision.

345.48 DEPOSIT OF FUNDS.

Subdivision 1. **Commissioner's duties.** All funds received under sections 345.31 to 345.60, including the proceeds from the sale of abandoned property pursuant to section 345.47, shall forthwith be deposited by the commissioner in the general fund of the state after deduction of the fees and expenses provided for in section 345.485; except that unclaimed restitution payments held by a court under section 345.38 shall be deposited in the crime victim and witness account created in section 611A.612. Before making the deposit the commissioner shall record the name and last known address of each person appearing from the holders' reports to be entitled to the abandoned property and of the name and last known address of each policyholder, insured person, or annuitant, and with respect to each policy or contract listed in the report of a life insurance corporation, its number, the name of the corporation, and the amount due. The record shall be available for public inspection at all reasonable business hours.

345.485 RECOVERY OF PROPERTY BY OTHERS.

The commissioner may request that the attorney general of another state or another person or entity in the other state make a demand or bring an action to recover unclaimed property in the name of the commissioner in the other state. The commissioner may request that another person or entity make a demand or bring an action to recover unclaimed property in this state in the name of the commissioner. This state shall pay all expenses including attorney fees incurred under this section. The commissioner may agree to pay fees to the person or entity making the demand or bringing the action based in whole or in part on a percentage of the value of any property recovered. Expenses paid under this section shall not reduce the amount to which the claimant is entitled.

345.49 CLAIM FOR ABANDONED PROPERTY PAID OR DELIVERED.

Subdivision 1. **Filing.** Any person claiming an interest in any property delivered to the state under sections 345.31 to 345.60 may file a claim thereto or to the proceeds from the sale thereof on the form prescribed by the commissioner.

Subd. 2. **Appropriation.** There is hereby appropriated to the persons entitled to a refund, from the fund in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.

345.50 DETERMINATION OF CLAIMS.

Subdivision 1. **Commissioner's duties.** The commissioner shall consider any claim filed under sections 345.31 to 345.60 and may hold a hearing and receive evidence concerning it. If a hearing is held, the commissioner shall prepare a finding and a decision in writing on each claim filed, stating the substance of any evidence heard and the reasons for the decision. The decision shall be a public record.

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Subd. 2. **Payment.** If the claim is allowed, the commissioner shall make payment forthwith. The claim shall be paid without deduction for costs of notices or sale or for service charges.

345.51 JUDICIAL ACTION UPON DETERMINATIONS.

Any person aggrieved by a decision of the commissioner or as to whose claim the commissioner has failed to act within 90 days after the filing of the claim, may commence an action in the district court to establish a claim. The proceeding shall be brought within 90 days after the decision of the commissioner or within 180 days from the filing of the claim if the commissioner fails to act. The action shall be tried de novo without a jury.

345.515 AGREEMENTS TO LOCATE REPORTED PROPERTY.

It is unlawful for a person to seek or receive from another person or contract with a person for a fee or compensation for locating property, knowing it to have been reported or paid or delivered to the commissioner pursuant to chapter 345 prior to 24 months after the date the property is paid or delivered to the commissioner.

No agreement entered into after 24 months after the date the property is paid or delivered to the commissioner is valid if a person thereby undertakes to locate property included in a report for a fee or other compensation exceeding ten percent of the value of the recoverable property unless the agreement is in writing and signed by the owner and discloses the nature and value of the property and the name and address of the holder thereof as such facts have been reported. Nothing in this section shall be construed to prevent an owner from asserting at any time that an agreement to locate property is based upon an excessive or unjust consideration.

345.52 ELECTION TO TAKE PAYMENT OR DELIVERY.

The commissioner, after receiving reports of property deemed abandoned pursuant to sections 345.31 to 345.60, may decline to receive any property reported on deeming it to have a value less than the cost of giving notice and holding sale, or the commissioner may, on deeming it desirable because of the small sum involved, postpone taking possession until a sufficient sum accumulates. Unless the holder of the property is notified to the contrary within 120 days after filing the report required under section 345.41, the commissioner shall be deemed to have elected to receive the custody of the property.

345.525 PROPERTY HAVING NO APPARENT COMMERCIAL OR HISTORICAL VALUE.

The commissioner may withhold the property from sales under this section. If it is determined that property delivered to the commissioner has no commercial or historical value the commissioner may thereafter destroy or otherwise dispose of the property, and in that event no action or proceeding shall be brought or maintained against the state or any officer thereof or against the holder for or on account of any action taken by the commissioner pursuant to chapter 345 with respect to the property. The commissioner shall keep a record of all items destroyed under this section, and all items held by the historical society, including the name and address of the owner of the property and the person who delivered the property to the commissioner, the date of delivery, a description of the property destroyed and the date of destruction.

345.53 EXAMINATION OF RECORDS.

Subdivision 1. **Commissioner's duties.** The commissioner may at reasonable times and upon reasonable notice examine the records of any person if there is reason to believe that the person has failed to report property that should have been reported pursuant to sections 345.31 to 345.60.

Subd. 2. **Examination charges.** If an examination of the records of a person results in the disclosure of property reportable and deliverable under sections 345.31 to 345.60, the commissioner may assess the cost of the examination against the holder at the rate of \$15 per hour per examiner, but in no case may the charges exceed the value of the property found to be reportable and deliverable.

345.54 PROCEEDING TO COMPEL DELIVERY OF ABANDONED PROPERTY.

If any person refuses to deliver property to the commissioner as required under sections 345.31 to 345.60, or pay the interest provided for by section 345.55, subdivision 3, the

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commissioner may bring an action in a court of appropriate jurisdiction to enforce such delivery or payment.

345.55 PENALTIES.

Subdivision 1. **Misdemeanor.** Any person who willfully fails to render any report or perform other duties required under sections 345.31 to 345.60, shall be guilty of a misdemeanor.

Subd. 2. **Gross misdemeanor.** Any person who willfully refuses to pay or deliver abandoned property to the commissioner as required under sections 345.31 to 345.60 shall be guilty of a gross misdemeanor.

Subd. 3. **Interest assessment after demand.** In addition to any damages, penalties, or fines for which a person may be liable under other provisions of law, any person who fails to pay or deliver unclaimed property within the time prescribed by this chapter after written demand therefor by the commissioner made after March 29, 1978, shall pay to the commissioner interest at the rate of 12 percent per annum on the property or value thereof from the date of the written demand.

345.56 RULES.

The commissioner is hereby authorized to make necessary rules to carry out the provisions of sections 345.31 to 345.60.

345.57 EFFECT OF LAWS OF OTHER STATES.

Sections 345.31 to 345.60 shall not apply to any property that has been presumed abandoned or escheated under the laws of another state prior to July 1, 1969.

345.58 CUTOFF DATE.

Except as to property required to be reported pursuant to Minnesota Statutes 1967, sections 48.521 to 48.528, sections 345.31 to 345.60 shall not apply to property otherwise subject to sections 345.31 to 345.60 which became due or payable or which was in the possession of the holder before January 1, 1944.

345.59 UNIFORMITY OF INTERPRETATION.

Sections 345.31 to 345.60 shall be so construed as to effectuate its general purpose to make uniform the law of those states which enact it.

345.60 CITATION.

Sections 345.31 to 345.60 as enacted and hereafter amended, may be cited as the Uniform Disposition of Unclaimed Property Act.