

## CHAPTER 725—H. F. No. 2618

[Coded]

*An act relating to the disposition of unclaimed property; providing penalties for violation; repealing Minnesota Statutes 1967, Sections 48.521 to 48.528 and Section 345.08.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. **[345.31] Uniform disposition of unclaimed property act.** Subdivision 1. As used in this act, unless the context otherwise requires, the terms defined in this section shall have the meanings ascribed to them.

Subd. 2. "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" means any corporation, joint stock company, business trust, partnership, or any association for business purposes of two or more individuals.

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

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

Subd. 6. "Life insurance corporation" means any association or corporation transacting within this state the business of insurance on the lives of persons or insurance appertaining thereto, including, but not by way of limitation, endowments and annuities.

Subd. 7. "Owner" means a depositor in case of a deposit, a beneficiary in case of a trust, a creditor, claimant or payee in case of other choses in action, or any person having a legal or equitable interest in property subject to this act or his legal representative.

Subd. 8. "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.

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Subd. 9. "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.

Sec. 2. [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 any charges that may lawfully be withheld, unless the owner has, within 20 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.

(b) Any funds paid in this state toward the purchase of shares or other interest in a financial organization or any deposit made therewith in this state, and any interest or dividends thereon, excluding any charges that may lawfully be withheld, unless the owner has within 20 years:

(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.

(c) Any sum, excluding any charges that may lawfully be withheld, payable on checks certified in this state or on written instruments issued in this state on which a banking or financial organization or business association is directly liable, including, by way of illustration but not of limitation, certificates of deposit, drafts, money orders and traveler's checks, that has been outstanding for more than 20 years from the date it was payable, or from the date of its issuance if

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payable on demand, unless the owner has within 20 years 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, or any surplus amounts arising from the sale thereof pursuant to law, that have been unclaimed by the owner for more than 20 years from the date on which the lease or rental period expired.

**Sec. 3. [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 20 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 20 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 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.

**Sec. 4. [345.34] Deposits held by utilities.** Any deposit held or owing by any utility made by a subscriber after January

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1, 1960, 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 seven years after the termination of the services for which the deposit or advance payment was made is presumed abandoned.

**Sec. 5. [345.35] Undistributed dividends and distributions of business associations.** Any stock or other certificate of ownership, or any dividend, profit, distribution, interest, payment on principal, or other sum held or owing by a business association for or to a shareholder, certificate holder, member, bondholder, or other security holder, or a participating patron of a cooperative, who has not claimed it, or corresponded in writing with the business association concerning it, within 20 years after the date prescribed for payment or deliver, is presumed abandoned if:

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

(b) 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.

**Sec. 6. [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 two years after the date for final distribution, is presumed abandoned.

**Sec. 7. [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 20 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

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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.

**Sec. 8. [345.38] Property held by state courts and public officers and agencies.** Subdivision 1. 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 seven years is presumed abandoned except as provided in section 525.52.

Subd. 2. 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 seven years after such residence ceases.

**Sec. 9. [345.39] Miscellaneous personal property held for another person.** All intangible personal property, not otherwise covered by this act, 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 seven years after it became payable or distributable is presumed abandoned.

**Sec. 10. [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 2, 5, 6, 7 and 9 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 this act 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.

**Sec. 11. [345.41] Report of abandoned property.** (a) Every person holding funds or other property, tangible or intangible,

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presumed abandoned under this act shall report to the state treasurer 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 \$10 or more presumed abandoned under this act;

(2) in case of unclaimed funds of life insurance corporations, the full name of the policyholder, insured or annuitant and his 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 \$10 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 state treasurer prescribes by rule as necessary for the administration of this act.

(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 his name while holding the property, he shall file with his report all prior known names and addresses of each holder of the property.

(d) The report shall be filed before November 1, 1969, and before November 1 of each third year thereafter as of June 30 next preceding, but the report of life insurance corporations shall be filed before May 1, 1970, and before May 1 of each third year thereafter as of December 31 next preceding. The state treasurer may postpone the reporting date upon written request by any person required to file a report.

(e) If the holder of property presumed abandoned under this act knows the whereabouts of the owner and if the owner's claim has not been barred by the statute of limitations, the holder shall, before filing the annual report, inform the owner of the steps necessary to prevent abandonment from being presumed.

(f) Verification, if made by a partnership, shall be executed by a partner; if made by an unincorporated association or private cor-

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poration, by an officer, and if made by a public corporation, by its chief fiscal officer.

**Sec. 12. [345.42] Notice and publication of lists of abandoned property.** Subdivision 1. Within 120 days from the filing of the report required by section 11, the state treasurer shall cause notice to be published at least once each week for two successive weeks in an English language newspaper of general circulation in the county in this state in which is located the last known address of any person to be named in the notice. If no address is listed or if the address is outside this state, the notice shall be published in the county in which the holder of the abandoned property has his principal place of business within this state.

Subd. 2. The published notice shall be entitled "notice of names of persons appearing to be owners of abandoned property," and shall contain:

(a) the names in alphabetical order and last known addresses, if any, of persons listed in the report and entitled to notice within the county as hereinbefore specified;

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

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

The state treasurer is not required to publish in such notice any item of less than \$25 unless he deems such publication to be in the public interest.

Subd. 3. Within 120 days from the receipt of the report required by section 11, the state treasurer shall mail a notice to each person having an address listed therein who appears to be entitled to property of the value of \$25 or more presumed abandoned under this act. Said notice shall contain:

(a) a statement that, according to a report filed with the state treasurer, property is being held to which the addressee appears entitled;

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

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

Subd. 4. This section is not applicable to sums payable on traveler's checks or money orders presumed abandoned under section 2:

**Sec. 13. [345.43] Payment or delivery of abandoned property.** Every person who has filed a report under section 11, within 20 days after the time specified in section 12 for claiming the property from the holder, or in the case of sums payable on traveler's checks or money orders presumed abandoned under section 2 within 20 days after the filing of the report, shall pay or deliver to the state treasurer all abandoned property specified in this report, except that, if the owner establishes his right to receive the abandoned property to the satisfaction of the holder within the time specified in section 12, or if it appears that for some other reason the presumption of abandonment is erroneous, the holder need not pay or deliver the property, which will no longer be presumed abandoned, to the state treasurer, but in lieu thereof shall file a verified written explanation of the proof of claim or of the error in the presumption of abandonment.

**Sec. 14. [345.44] Relief from liability by payment or delivery.** Upon the payment or delivery of abandoned property to the state treasurer, the state shall assume custody and shall be responsible for the safekeeping thereof and for payment of any claim successfully brought against any holder on account of any abandoned property paid or delivered to the state treasurer. Any person who pays or delivers abandoned property to the state treasurer under this act 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 state treasurer 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 state treasurer pursuant to this act may make payment to any person reasonably appear-

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ing to such holder to be entitled thereto, and upon proof of such payment and proof that the payee reasonably appeared entitled thereto, the state treasurer shall forthwith reimburse the holder for the payment.

**Sec. 15. [345.45] Income accruing after payment or delivery.** When property is paid or delivered to the state treasurer under this act, the owner is not entitled to receive income or other increments accruing thereafter.

**Sec. 16. [345.46] Period of limitation not a bar.** The expiration of any period of time specified by statute or court order, during which an action or proceeding may be commenced or enforced to obtain payment of a claim for money or recovery of property, shall not prevent the money or property from being presumed abandoned property, nor affect any duty to file a report required by this act or to pay or deliver abandoned property to the state treasurer.

**Sec. 17. [345.47] Sale of abandoned property.** Subdivision 1. All abandoned property other than money delivered to the state treasurer under this act shall within one year after the delivery be sold by him to the highest bidder at public sale in whatever city in the state affords in his judgment the most favorable market for the property involved. The state treasurer may decline the highest bid and reoffer the property for sale if he considers the price bid insufficient. He need not offer any property for sale if, in his opinion, the probable cost of sale exceeds the value of the property.

Subd. 2. 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. The purchaser at any sale conducted by the state treasurer pursuant to this act shall receive title to the property purchased, free from all claims of the owner or prior holder thereof and of all persons claiming through or under them. The state treasurer shall execute all documents necessary to complete the transfer of title.

**Sec. 18. [345.48] Deposit of funds.** Subdivision 1. All funds received under this act, including the proceeds from the sale of abandoned property pursuant to section 17, shall forthwith be deposited by the state treasurer in the general revenue fund of the state, except that he shall retain in a separate trust fund an amount not exceeding \$25,000 from which he shall make prompt payment of claims duly allowed by him as hereinafter provided. Before making

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the deposit he 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.

Subd. 2. Before making any deposit to the credit of the general revenue fund, the state treasurer may deduct: (a) costs incurred in connection with any sale of abandoned property, (b) any costs of mailing and publication in connection with any abandoned property, and (c) reasonable service charges.

Sec. 19. [345.49] **Claim for abandoned property paid or delivered.** Any person claiming an interest in any property delivered to the state under this act may file a claim thereto or to the proceeds from the sale thereof on the form prescribed by the state treasurer.

Sec. 20. [345.50] **Determination of claims.** Subdivision 1. The state treasurer shall consider any claim filed under this act and may hold a hearing and receive evidence concerning it. If a hearing is held, he shall prepare a finding and a decision in writing on each claim filed, stating the substance of any evidence heard by him and the reasons for his decision. The decision shall be a public record.

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

Sec. 21. [345.51] **Judicial action upon determinations.** Any person aggrieved by a decision of the state treasurer or as to whose claim the state treasurer has failed to act within 90 days after the filing of the claim, may commence an action in the district court to establish his claim. The proceeding shall be brought within 90 days after the decision of the state treasurer or within 180 days from the filing of the claim if the state treasurer fails to act. The action shall be tried de novo without a jury.

Sec. 22. [345.52] **Election to take payment or delivery.** The state treasurer, after receiving reports of property deemed abandoned pursuant to this act, may decline to receive any property reported which he deems to have a value less than the cost of giving notice and holding sale, or he may, if he deems it desirable

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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 11, the state treasurer shall be deemed to have elected to receive the custody of the property.

Sec. 23. [345.53] **Examination of records.** The state treasurer may at reasonable times and upon reasonable notice examine the records of any person if he has reason to believe that such person has failed to report property that should have been reported pursuant to this act.

Sec. 24. [345.54] **Proceeding to compel delivery of abandoned property.** If any person refuses to deliver property to the state treasurer as required under this act, the state treasurer may bring an action in a court of appropriate jurisdiction to enforce such delivery.

Sec. 25. [345.55] **Penalties.** Subdivision 1. Any person who willfully fails to render any report or perform other duties required under this act, shall be guilty of a misdemeanor.

Subd. 2. Any person who willfully refuses to pay or deliver abandoned property to the state treasurer as required under this act shall be guilty of a gross misdemeanor.

Sec. 26. [345.56] **Rules and regulations.** The state treasurer is hereby authorized to make necessary rules and regulations to carry out the provisions of this act.

Sec. 27. [345.57] **Effect of laws of other states.** This act shall not apply to any property that has been presumed abandoned or escheated under the laws of another state prior to the effective date of this act.

Sec. 28. [345.58] **Cut off date.** Except as to property required to be reported pursuant to Minnesota Statutes 1967, Sections 48.521 to 48.528, this act shall not apply to property otherwise subject to this act which became due or payable or which was in the possession of the holder before January 1, 1944.

Sec. 29. **Severability.** If any provision of this act or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

Sec. 30. [345.59] **Uniformity of interpretation.** This

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

Sec. 31. [345.60] **Short title.** This act, sections 1 to 32 as enacted and hereafter amended, may be cited as the uniform disposition of unclaimed property act.

Sec. 32. **Repeal.** Minnesota Statutes 1967, Sections 48.521; 48.522; 48.523; 48.524; 48.525; 48.526; 48.527; 48.528; and 345.08, are hereby repealed.

Sec. 33. **Time of taking effect.** This act shall take effect July 1, 1969.

Approved May 24, 1969.

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CHAPTER 726—H. F. No. 2727

[Coded]

*An act relating to the formation of professional corporations by chiropractors.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. [319.71] **Chiropractors' professional corporation act; title.** This act may be cited as the chiropractors' professional corporation act.

Sec. 2. [319.72] **Definitions.** Subdivision 1. For the purposes of this act, the terms defined in this section shall have the meanings ascribed to them.

Subd. 2. The term "professional service" means personal service rendered by a chiropractor pursuant to a license granted him under Minnesota Statutes.

Subd. 3. The term "professional corporation" means a corporation organized for the purpose of rendering a professional service.

Subd. 4. The term "board" means the agency of the state which has jurisdiction to grant a license to render professional service of the type which a professional corporation has been organized to render.

Sec. 3. [319.73] **Formation of corporation.** One or more natural persons authorized to render professional service may

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