

THE HOUSE OF REPRESENTATIVES
Monday, March 2, 2009

House Bill No. 1780

HOUSE BILL NO. 1780 - By: JONES of the House and JOLLEY of the Senate.

(property - amending sections in Titles 60, 62 and 74 - codification - effective date)

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

1 SECTION 1. AMENDATORY 60 O.S. 2001, Section 661, as last amended by
2 Section 2, Chapter 108, O.S.L. 2008 (60 O.S. Supp. 2008, Section 661), is amended to
3 read as follows:

4 Section 661. A. A person holding property, tangible or intangible, presumed
5 abandoned and subject to custody as unclaimed property under the Uniform Unclaimed
6 Property Act shall report to the State Treasurer concerning the property as provided in
7 this section.

8 B. The report must be verified and must include:

9 1. The name, if known, and last-known address, if any, of each person appearing
10 from the records of the holder to be the owner of property of the value of Fifty Dollars
11 (\$50.00) or more presumed abandoned under the Uniform Unclaimed Property Act and
12 items of value under Fifty Dollars (\$50.00), reported in the aggregate, except property
13 which is one of a recurring number of continuous payments, including, but not limited to,

1 royalties, annuities, dividends, distributions and other sums presumed abandoned
2 pursuant to subsection D of Section 655 of this title, which shall be reported in the same
3 manner as property with a value of Fifty Dollars (\$50.00) or more;

4 2. In the case of unclaimed funds of Fifty Dollars (\$50.00) or more held or owing
5 under any life or endowment insurance policy or annuity contract, the full name and last-
6 known address of the insured or annuitant and of the beneficiary according to the records
7 of the insurance company holding or owing the funds;

8 3. In the case of the contents of a safe deposit box or other safekeeping repository or
9 of other tangible personal property, a description of the property and the place where it is
10 held, which may be inspected by the State Treasurer, and any amounts, including offsets
11 for drilling costs and rent, owing to the holder;

12 4. The description of the property, including type and identifying number if any,
13 and the amount appearing from the records to be due;

14 5. The date when the property became payable, demandable or returnable, and the
15 date of the last transaction with the owner with respect to the property;

16 6. In the case of a cashier's check, if known, the names and last-known addresses of
17 the payee(s), the payor(s) and the purchaser(s); and

18 7. Any other information reasonably required by the Treasurer.

19 C. If the person holding property presumed abandoned and subject to custody as
20 unclaimed property is a successor to other persons who previously held the property for
21 the apparent owner or if the name of the holder has changed while holding the property,

1 the holder shall file with the report all known names and addresses of each previous
2 holder of the property.

3 D. The report must be filed before November 1 of each year for property reportable
4 as of the preceding ~~September~~ July 1, but the report of any life insurance company must
5 be filed before May 1 of each year for property reportable as of the preceding March 1.
6 The State Treasurer may postpone the reporting date upon written request by any
7 person required to file a report.

8 E. Not more than one hundred twenty (120) days before filing the report required
9 by this section, the holder in possession of property presumed abandoned and subject to
10 custody as unclaimed property under the Uniform Unclaimed Property Act shall send
11 written notice to the apparent owner at the owner's last-known address informing the
12 owner that the holder is in possession of property subject to the Uniform Unclaimed
13 Property Act if:

- 14 1. The holder has in the records of the holder an address for the apparent owner
15 which the holder's records do not disclose to be inaccurate;
- 16 2. The claim of the apparent owner is not barred by the statute of limitations; and
- 17 3. The property has a value of Fifty Dollars (\$50.00) or more, or the property has a
18 value of less than Fifty Dollars (\$50.00) and is one of a recurring number of continuous
19 payments, including, but not limited to, royalties, annuities, dividends, distributions and
20 other recurring sums presumed abandoned pursuant to subsection D of Section 655 of
21 this title. The holder is not required to send written notice to the owner if the holder has
22 previously attempted to communicate with the owner, or otherwise exercised due

1 diligence to ascertain the whereabouts of the owner. The mailing of notice by first-class
2 mail to the last-known address of the owner by the holder shall constitute compliance
3 with this subsection and, if done, no further act on the part of the holder shall be
4 necessary.

5 F. Reports filed by a holder shall remain confidential except for that information
6 required to be subject to public inspection pursuant to the Uniform Unclaimed Property
7 Act.

8 SECTION 2. AMENDATORY 60 O.S. 2001, Section 662, as last amended by
9 Section 3, Chapter 108, O.S.L. 2008 (60 O.S. Supp. 2008, Section 662), is amended to
10 read as follows:

11 Section 662. A. The State Treasurer shall cause at least two notices to be
12 published during the year following the report required by Section 661 of this title in a
13 legal newspaper of general circulation in the county in this state in which is located the
14 last-known address of any person to be named in the notice. Different legal newspapers
15 of general circulation may be used for each notice. If no address is listed or if the address
16 is outside this state, the notice must be published in the county within this state which is
17 the principal place of business of the holder of the abandoned property, or in a an
18 Oklahoma newspaper which the State Treasurer believes most likely to be seen by the
19 owner of the property or by heirs of the owner.

20 B. The published notice must be entitled "Notice of Names of Persons Appearing to
21 be Owners of Abandoned Property", and contain:

1 1. The names in alphabetical order and last-known address, if any, of persons listed
2 in the report and entitled to notice within the county as specified in subsection A of this
3 section;

4 2. A statement that information concerning the property and the name and last-
5 known address of the holder may be obtained by any person possessing an interest in the
6 property by addressing an inquiry to the State Treasurer; and

7 3. A statement that the property is in the custody of the State Treasurer and all
8 claims must be directed to the State Treasurer.

9 C. The State Treasurer is not required to publish in the notice any items of less
10 than Fifty Dollars (\$50.00) unless the State Treasurer considers their publication to be in
11 the public interest.

12 D. The State Treasurer shall provide electronic access to the new names and last-
13 known addresses of all persons reported to the State Treasurer as owners of unclaimed
14 property on an Internet web site. The State Treasurer shall take reasonable steps to
15 publicize the existence of this web site and shall publish an advertisement no less than
16 once each calendar quarter in a legal newspaper of general circulation in each county of
17 this state.

18 SECTION 3. AMENDATORY 60 O.S. 2001, Section 668, as last amended by
19 Section 6, Chapter 318, O.S.L. 2004 (60 O.S. Supp. 2008, Section 668), is amended to
20 read as follows:

21 Section 668. A. There is hereby created in the State Treasury the “Unclaimed
22 Property Fund”, the principal of which shall constitute a trust fund for persons claiming

1 any interest in any property delivered to the state under the Uniform Unclaimed
2 Property Act and may be invested as hereinafter provided and shall not be expended
3 except as provided in the Uniform Unclaimed Property Act. All funds received under the
4 Uniform Unclaimed Property Act, including the proceeds from the sale of abandoned
5 property under Section 667 of this title, shall forthwith be deposited by the State
6 Treasurer in the Unclaimed Property Fund, herein created, except that the State
7 Treasurer may before making any deposit to the fund deduct:

- 8 1. All costs in connection with the sale of abandoned property;
- 9 2. All costs of mailing and publication in connection with any abandoned property
10 including the cost of custody services for unclaimed securities;
- 11 3. Reasonable service charges not to exceed four percent (4%) of the monies
12 accruing to the state under the Uniform Unclaimed Property Act, which may be used to
13 defray the administrative costs ~~of the unclaimed property program, including costs~~
14 necessary to retain outside legal counsel to ensure compliance with the Uniform
15 Unclaimed Property Act, or to acquire computer hardware and software to be used
16 exclusively to help administer the unclaimed property program; and
- 17 4. An amount equal to fifteen percent (15%) of the funds accruing to the state
18 pursuant to a contract with the State Treasurer providing information leading to the
19 delivery of unclaimed property held by a holder to the State Treasurer to be deposited in
20 the Unclaimed Property Clearinghouse Fund.

21 B. Before making a deposit to the Unclaimed Property Fund, the State Treasurer
22 shall record the name and last-known address of each person appearing from the holders'

1 reports to be entitled to the abandoned property and of the name and last-known address
2 of each insured person or annuitant, and with respect to each policy or contract listed in
3 the report of a life insurance corporation, its number, the name of the corporation, and
4 the amount due. The record shall be available for public inspection at all reasonable
5 business hours.

6 SECTION 4. AMENDATORY 60 O.S. 2001, Section 668.1, as amended by
7 Section 7, Chapter 318, O.S.L. 2004 (60 O.S. Supp. 2008, Section 668.1), is amended to
8 read as follows:

9 Section 668.1 A. There is hereby created in the State Treasury a revolving fund for
10 the State Treasurer to be designated the “Unclaimed Property Clearinghouse Fund”.
11 The fund shall be a continuing fund, not subject to fiscal year limitations, and shall
12 consist of monies deposited to the fund pursuant to Section 668 of this title. All monies
13 accruing to the credit of the fund are appropriated to the State Treasurer. The State
14 Treasurer may budget and expend monies from the fund for the purpose of making
15 payment for the mailing, publication and sale costs associated with abandoned property,
16 and to persons, firms, or corporations who are regularly engaged in the business of
17 notifying states about property which may be subject to the provisions of unclaimed
18 property statutes of those states. The State Treasurer may enter into contracts with
19 these persons, firms or corporations performing these services, which services may
20 include the examination of any party subject to examination under the Uniform
21 Unclaimed Property Act. The State Treasurer may delegate all necessary authority to

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1 act in the State Treasurer's behalf to such persons, firms or corporations to enforce the
2 provisions of the Uniform Unclaimed Property Act.

3 B. The State Treasurer shall be authorized to expend monies from the Unclaimed
4 Property Clearinghouse Fund in payment of a reasonable fee not to exceed fifteen
5 percent (15%) of the delivered funds to a person, firm, or corporation contracting with the
6 State Treasurer providing information leading to the delivery of unclaimed property held
7 by a holder to the State Treasurer. Such payment shall not be made until the funds have
8 been deposited with the State Treasurer.

9 C. The State Treasurer is authorized to purchase services, including legal services,
10 in order to locate and effect the delivery of property and related owner information to
11 assist the State Treasurer in the Treasurer's duties related to the administration of the
12 Uniform Unclaimed Property Act. The purchase of such services shall be chosen by a
13 solicitation of proposals on a competitive basis, but shall be exempt from the provisions of
14 The Oklahoma Central Purchasing Act.

15 SECTION 5. AMENDATORY 60 O.S. 2001, Section 675, is amended to read as
16 follows:

17 Section 675. A. The State Treasurer shall consider any claim filed under the
18 Uniform Unclaimed Property Act and may hold a hearing and receive evidence
19 concerning it. The procedure to be followed hereunder shall be as prescribed by the
20 Administrative Procedures Act. If a hearing is held, the State Treasurer shall prepare a
21 finding and decision in writing on each claim filed, stating the substance of any evidence

1 heard by the State Treasurer and the reasons for the State Treasurer’s decision. The
2 decision shall be a public record.

3 B. Upon approval by the State Treasurer, the claim shall be paid forthwith from
4 the Unclaimed Property Fund. The claim shall be paid without deduction for costs of
5 notices or sale or for service charges.

6 C. The State Treasurer shall not pay monies to rightful owners, or their heirs,
7 devisees, and assigns, exceeding the reimbursement amount the Treasurer shall receive
8 from the Mineral Owner’s Fund attributable to such payments to rightful owners, or
9 their heirs, devisees, and assigns.

10 SECTION 6. AMENDATORY 62 O.S. 2001, Section 71, as amended by Section
11 1, Chapter 308, O.S.L. 2004 (62 O.S. Supp. 2008, Section 71), is amended to read as
12 follows:

13 Section 71. A. The State Treasurer is authorized and directed to select a number of
14 banks, savings banks or savings and loan associations and credit unions within the State
15 of Oklahoma as depositories for all monies and funds coming into the hands of the State
16 Treasurer as the official depository. Such banks, savings banks or savings and loan
17 associations and credit unions shall be in good standing and conducting a regular
18 banking business and shall collect such drafts, bills of exchange, and checks as may be
19 deposited by the state in the regular course of business, and shall pay all checks and
20 drafts legally authorized and duly drawn on the funds deposited in such banks, savings
21 banks or savings and loan associations and credit unions.

1 B. At the request of state agencies or state institutions conducting operations or
2 transacting state business outside the State of Oklahoma, the State Treasurer is hereby
3 authorized to name and designate financial institutions located without the State of
4 Oklahoma as official depositories of state monies and funds where it is shown to the
5 satisfaction of the State Treasurer that the need for such out-of-state depository is
6 required for the orderly and expeditious deposit of monies and funds coming into the
7 possession of the requesting state agency or state institution. For purposes of this
8 section, the State Treasurer shall not designate any financial institution outside the
9 United States for the deposit of public funds, monies, securities, or any other financial
10 assets subject to the control of the State Treasurer. Any out-of-state financial institution
11 designated as an official depository of the State Treasurer shall have a service agent in
12 the State of Oklahoma so that service of summons or legal notice may be had on such
13 designated agent as is now or may hereafter be provided by law. Before designating any
14 financial institution outside the State of Oklahoma as an official depository, the State
15 Treasurer shall, if the State Treasurer deems it necessary, require a bond to be given by
16 such financial institution to the State of Oklahoma in double the amount of monies which
17 the requesting state agency or institution anticipates will be the maximum amount of
18 money or funds on deposit at any one time with the financial institution. Such bond will
19 be approved by the State Treasurer and filed with the Secretary of State. Any out-of-
20 state financial institution designated as an official depository shall in all respects
21 conform to and comply with the provisions of this section, the Security for Public

1 Deposits Act, and any and all laws pertaining to financial institutions receiving deposits
2 of public monies or funds.

3 C. The State Treasurer shall establish procedures which provide minimum
4 standards for establishing and maintaining relationships between state entities and
5 financial institutions. As used in this subsection, “financial institutions” means those
6 institutions described in subsection E of this section, companies that provide alternative
7 direct deposit services known as payroll card or paycard, credit card processing
8 companies and other companies which handle or process financial transactions. Any
9 agreements between state agencies and financial institutions, as defined in this
10 subsection, shall be subject to prior approval by the State Treasurer. If the State
11 Treasurer has an agreement with a financial institution to provide services to the State
12 Treasurer, a state agency may pay the institution directly for services performed for the
13 agency under the same terms, if the services are services not previously provided to the
14 agency through the State Treasurer. State agencies may enter into agreements with the
15 State Treasurer to participate in any agreements entered into by the State Treasurer
16 with financial institutions or companies which handle or process financial transactions
17 as described in this subsection. Any state agency participating in such an agreement
18 may pay the vendor directly for any fees owed on transactions associated with that
19 agency. The State Treasurer is authorized to prescribe formats and issue all state
20 vouchers, warrants and checks drawn on state treasury funds. The State Treasurer may
21 compensate financial institutions for services rendered to the state by direct fee charges
22 or through compensating balances. Any financial institution receiving payment for

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1 services from the state through compensating balances shall file a report quarterly with
2 the State Treasurer detailing the services rendered to the state and the charges for such
3 services. Such charges shall not exceed those made for similar services to other
4 customers of the financial institution. If the quarterly value of the compensating balance
5 arrangement is above or below the quarterly charges for the services rendered to the
6 state had service charges been separately billed, the difference in amount of the
7 quarterly charges for the services rendered and the amount of the compensating balance
8 shall be applied to the subsequent quarter. Any compensation arrangements made with
9 financial institutions pursuant to this subsection shall not be subject to the provisions of
10 The Oklahoma Central Purchasing Act.

11 D. Of the public funds in the hands of the State Treasurer, there shall not be
12 deposited in any one of such banks, savings banks or savings and loan associations and
13 credit unions an amount to exceed the combined amount of insured deposits plus
14 approved legal securities pledged by such banks, savings banks or savings and loan
15 associations and credit unions therefor. Such banks, savings banks or savings and loan
16 associations and credit unions shall make quarterly reports of the amount deposited,
17 checked out, or withdrawn and the balances on hand for the fiscal year.

18 E. All provisions of this title relating to depositories for public funds shall include,
19 in addition to banks, all financial institutions of this state. As used in this subsection,
20 the term “financial institutions” means banks, savings banks, savings and loan
21 associations and credit unions in this state whose deposits are insured by the Federal

1 Deposit Insurance Corporation, the National Credit Union Administration or any
2 successor institutions.

3 F. The State Treasurer may permit treasurers of local governmental entities to
4 place public funds under their control into investments used by the State Treasurer for
5 state funds, if the local treasurer has appropriate investment authority.

6 SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma
7 Statutes as Section 71.2 of Title 62, unless there is created a duplication in numbering,
8 reads as follows:

9 The State Treasurer is authorized to purchase software, hardware, and associated
10 services to assist the State Treasurer in the Treasurer's duties related to the control,
11 custody, deposit, transfer disbursement, management and investment of funds and
12 securities held by the state. Software, hardware, and associated services shall be chosen
13 by a solicitation of proposals on a competitive basis, but shall be exempt from the
14 provisions of The Oklahoma Central Purchasing Act. Software, hardware and associated
15 services purchases by the State Treasurer for these purposes shall not require the
16 authorization of the Director of State Finance.

17 SECTION 8. AMENDATORY 62 O.S. 2001, Section 89.6, is amended to read as
18 follows:

19 Section 89.6 The State Treasurer ~~shall~~ may charge and collect the following fees:

- 20 1. For any returned check or electronic debit that is returned, a fee of Twenty-five
21 Dollars (\$25.00);

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1 2. For handling and processing rejected warrant items processed by the State
2 Treasurer, a fee of forty-two cents (\$0.42) per item; ~~and~~

3 3. For handling a stop-payment item processed by the State Treasurer on behalf of
4 a state agency, a fee of Ten Dollars (\$10.00) for each item up to a maximum fee of Two
5 Hundred Fifty Dollars (\$250.00) per day;

6 4. For expenses incurred in managing the state agency and General Fund blended
7 portfolio, an annual fee of not more than two and one-half (2 1/2) basis points may be
8 charged monthly against the average daily balance of the portfolio; provided, such fees
9 will be collected at the time earnings are deposited to the General Fund and to
10 participating state agencies; and

11 5. For expenses incurred in connection with separately managed investment
12 portfolios, other than the state agency and General Fund blended portfolio, an annual fee
13 of not more than five (5) basis points may be charged monthly against the average daily
14 balance of each portfolio; provided, such fees will be collected at the time earnings are
15 deposited to accounts for the benefit of portfolio owners.

16 SECTION 9. AMENDATORY 74 O.S. 2001, Section 85.3A, as amended by
17 Section 8, Chapter 319, O.S.L. 2008 (74 O.S. Supp. 2008, Section 85.3A), is amended to
18 read as follows:

19 Section 85.3A Compliance with the provisions of The Oklahoma Central
20 Purchasing Act shall not be required of:

21 1. County government;

1 2. The Oklahoma State Regents for Higher Education, the institutions, centers, or
2 other constituent agencies of The Oklahoma State System of Higher Education;

3 3. The telecommunications network known as OneNet; ~~or~~

4 4. The Department of Public Safety gun range; or

5 5. The State Treasurer for the following purchases:

6 a. services, including, but not limited to, legal services to assist in the
7 administration of the Uniform Unclaimed Property Act, as provided in
8 Section 668 of Title 60 of the Oklahoma Statutes, and

9 b. software, hardware and associated services to assist in the
10 administration of funds and securities held by the state, as provided in
11 Section 7 of this act.

12 SECTION 10. This act shall become effective November 1, 2009.

13 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET,
14 dated 02-26-09 - DO PASS, As Amended and Coauthored.