



State of Wisconsin
2015 - 2016 LEGISLATURE

LRBs0303/1
KRP&JK:wlj

**SENATE SUBSTITUTE AMENDMENT 1,
TO SENATE BILL 603**

February 4, 2016 - Offered by Senator MARKLEIN.

1 **AN ACT to amend** 177.22 (1) and 177.23 (1); and **to create** 177.01 (14m), 177.135,
2 177.18 (1g), 177.225, 177.23 (2) (am) and 177.255 of the statutes; **relating to:**
3 escheat of abandoned U.S. savings bonds.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

4 **SECTION 1.** 177.01 (14m) of the statutes is created to read:

5 177.01 (14m) "U.S. savings bond" means a savings bond issued by the U.S.
6 department of the treasury, whether in paper, electronic, or paperless form, and
7 includes all proceeds of the savings bond.

8 **SECTION 2.** 177.135 of the statutes is created to read:

9 **177.135 U.S. savings bonds.** Except as provided in ss. 177.12 (1), 177.13, and
10 177.16, a U.S. savings bond that remains unredeemed by the owner for more than
11 5 years after the date of final maturity is presumed abandoned. In this section, "final

1 maturity” means the date a U.S. savings bond stops earning interest upon reaching
2 its final extended maturity date.

3 **SECTION 3.** 177.18 (1g) of the statutes is created to read:

4 177.18 (1g) In addition to any notice required under sub. (1), the administrator
5 shall also publish, in the notice described under sub. (1), the name and last-known
6 address of each owner of a U.S. savings bond that has been presumed abandoned
7 under s. 177.135 since the publication of the previous notice.

8 **SECTION 4.** 177.22 (1) of the statutes is amended to read:

9 177.22 (1) Except as provided in subs. (2) and (4) and s. 177.225, the
10 administrator, within 3 years after the receipt of abandoned property, shall sell it to
11 the highest bidder in a manner that, in the judgment of the administrator, affords
12 the most favorable market for the property. The administrator may decline the
13 highest bid and reoffer the property for sale if, in his or her judgment, the bid is
14 insufficient. If the administrator determines that the probable cost of sale exceeds
15 the value of the property, it need not be offered for sale. Any public sale under this
16 section held in a city, village, or town in this state shall be preceded by the publication
17 of one notice, at least 3 weeks in advance of sale, in a newspaper of general circulation
18 in the county in which the property is to be sold.

19 **SECTION 5.** 177.225 of the statutes is created to read:

20 **177.225 Escheat of U.S. savings bonds.** (1) If all of the following conditions
21 apply, the administrator may bring an action for a judgment that a U.S. savings
22 bond, including a U.S. savings bond in the possession of the administrator or a U.S.
23 savings bond that has been lost, stolen, or destroyed, is abandoned and for an order
24 transferring ownership of the abandoned U.S. savings bond to this state:

1 (a) The U.S. savings bond has been presumed abandoned under s. 177.135 for
2 at least one year.

3 (b) The U.S. savings bond is subject to the custody of this state as unclaimed
4 property under s. 177.03.

5 (c) At least one year has elapsed since the administrator published the notice
6 required under s. 177.18 (1g).

7 **(2)** An action under sub. (1) may be commenced in the circuit court for Dane
8 County or in any county that would be a proper place of trial under s. 801.50. Subject
9 to sub. (3), service may be made under s. 801.11 (1) (c) by publication of a notice
10 published as a class 3 notice under ch. 985. In determining which newspaper is likely
11 to give notice as required under s. 985.02 (1), the administrator shall consider the
12 conditions under s. 177.03 that made the U.S. savings bond subject to the custody of
13 this state as unclaimed property. The administrator may postpone commencing an
14 action under this subsection until sufficient U.S. savings bonds meet the conditions
15 under sub. (1) to justify the expense of the action.

16 **(3)** If service is made under sub. (2) by publication of a notice, the administrator
17 shall, before publication of the notice, file with the court an affidavit setting forth the
18 administrator's efforts to locate the owners of each U.S. savings bond subject to the
19 action, and, upon filing of the affidavit, there shall be a presumption that the owners
20 cannot with reasonable diligence be served under s. 801.11 (1) (a) or (b). The affidavit
21 shall include all of the following information with respect to the U.S. savings bond:

22 (a) A description of the efforts made by the administrator to ascertain the name
23 and last-known address of each person appearing to be an owner of the U.S. savings
24 bond.

1 (b) The name and last-known address of each person identified by the
2 administrator as appearing to be an owner of the U.S. savings bond.

3 (c) The interest of each unknown person identified by the administrator as
4 appearing to be an owner of the U.S. savings bond.

5 (d) A description of the efforts made by the administrator to notify each owner
6 of the U.S. savings bond that the owner may be entitled to claim abandoned property.

7 (e) A statement that, based on prior efforts of the administrator to locate or
8 contact the persons appearing to be owners of the U.S. saving bond, the
9 administrator believes that the administrator cannot, with reasonable diligence,
10 serve the owners with notice of the action by personal or substituted service.

11 (4) In an action under sub. (1), if the court finds that the administrator has
12 substantially complied with the provisions of this chapter and that no other person
13 has proven ownership of the U.S. savings bond, the court shall enter judgment that
14 this state has all legal title and interest, including all rights, powers, and privileges
15 of survivorship of any owner, co-owner, or beneficiary, of the U.S. savings bond and
16 that this state owns the U.S. savings bond free of all claims of the owner or previous
17 holder and of all persons claiming through or under them.

18 (5) Within 3 years after the entry of a judgment under sub. (4), the
19 administrator shall file an application with the U.S. department of the treasury to
20 redeem the U.S. savings bond.

21 **SECTION 6.** 177.23 (1) of the statutes is amended to read:

22 177.23 (1) Except as provided in sub. (2), the administrator shall deposit in the
23 school fund all funds received under this chapter, including the clear proceeds from
24 the sale of abandoned property under s. 177.22 and amounts received from the
25 redemption of U.S. savings bonds under s. 177.225 (5). Before making the deposit,

1 the administrator shall record the name and last-known address of each person
2 appearing from the holders' reports to be entitled to the property ~~and~~; the name and
3 last-known address of each insured person or annuitant and beneficiary ~~and~~; with
4 respect to each policy or contract listed in the report of an insurance company, its
5 number, the name of the company, and the amount due; and, with respect to each U.S.
6 savings bond, the name and last-known address of each owner of the U.S. savings
7 bond and the issue date, face amount, and serial number of the U.S. savings bond.

8 The information recorded by the administrator under this subsection is not available
9 for inspection or copying under s. 19.35 (1) until 12 months after payment or delivery
10 of the property is due under s. 177.17 (4) (a).

11 **SECTION 7.** 177.23 (2) (am) of the statutes is created to read:

12 177.23 (2) (am) Any costs in connection with an action under s. 177.225 (1) and
13 the redemption of a U.S. savings bond under s. 177.225 (5).

14 **SECTION 8.** 177.255 of the statutes is created to read:

15 **177.255 Claim to recover abandoned U.S. savings bond.**

16 Notwithstanding s. 177.225, any person who could have claimed an interest in a U.S.
17 savings bond immediately before this state became the owner of the U.S. savings
18 bond pursuant to a judgment entered under s. 177.225 (4) may file a claim under s.
19 177.24, and another state may file a claim under s. 177.25. Notwithstanding s.
20 177.24 (3) or 177.25 (2), if the claim is allowed, the administrator shall pay the
21 claimant the amount the administrator received from redeeming the U.S. savings
22 bond under s. 177.225 (5), minus any amounts that were deposited in the general
23 fund to pay administrative expenses under s. 177.23 (2) that are attributable to the
24 U.S. savings bond, or, if the U.S. savings bond has not been redeemed, the amount
25 the administrator estimates the administrator will receive from redeeming the U.S.

1 savings bond under s. 177.225 (5), minus any amounts the administrator estimates
2 will be deposited in the general fund to pay administrative expenses under s. 177.23
3 (2) that are attributable to the U.S. savings bond.

4 **SECTION 9. Nonstatutory provisions.**

5 (1) An unredeemed U.S. savings bond in the possession of the administrator
6 on the effective date of this subsection is presumed abandoned under section 177.135
7 of the statutes, as created by this act, as follows:

8 (a) If the U.S. savings bond reached final maturity, as defined in section
9 177.135 of the statutes, as created by this act, more than 5 years before the effective
10 date of this paragraph, the U.S. savings bond is presumed abandoned on the date
11 that is 5 years and one day after the date of final maturity.

12 (b) If the U.S. savings bond reached final maturity, as defined in section
13 177.135 of the statutes, as created by this act, not more than 5 years before the
14 effective date of this paragraph, the U.S. savings bond will be presumed abandoned
15 on the date that is 5 years and one day after the date of final maturity even if the U.S.
16 savings bond would have been presumed abandoned on an earlier date under chapter
17 177, 2013 stats.

18 (c) If the U.S. savings bond has not reached final maturity, as defined in section
19 177.135 of the statutes, as created by this act, on the effective date of this paragraph,
20 the U.S. savings bond will be presumed abandoned on the date that is 5 years and
21 one day after the date of final maturity even if the U.S. savings bond would have been
22 presumed abandoned on an earlier date under chapter 177, 2013 stats.

23 (2) For the purposes of determining when an action may be commenced under
24 section 177.225 (1) of the statutes, as created by this act, a notice published by the
25 administrator under section 177.18 of the statutes must include the name and

1 last-known address of each person appearing to be an owner of the U.S. savings
2 bond.

3 (END)