



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2005 Senate Bill 424

Senate Amendment 1

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Senate Bill 424 amends sections of the Uniform Unclaimed Property Act [ch. 177, Stats.] related to reporting, payment, and delivery of abandoned property [s. 177.17, Stats.], public sale of abandoned property [s. 177.22, Stats.], deposit of funds [s. 177.23, Stats.], and election to take payment or delivery [s. 177.27, Stats.]. **Senate Amendment 1** repeals and recreates a different section of the Uniform Unclaimed Property Act, relating to *stock and other intangible interest in a business association* [s. 177.10, Stats.].

In general, **current law** presumes that any stock or other intangible ownership interest in a businesses association is abandoned if unclaimed for *five years* if the owner has not taken specified forms of communication. **Senate Amendment 1** uses a *three-year period* for the eight subsections that it creates, as follows:

- (1) Stock or other equity interest in a business association is presumed unclaimed *three years* after the earliest of either the date of the most recent dividend, stock split, or other distribution unclaimed by the apparent owner; or of the date a statement of account or other notification or communication was returned as undeliverable.
- (2) The previous subsection applies to both the underlying stock, share, or other intangible ownership interest of an owner, and to the stock, share, or other intangible ownership interest in dividend and nondividend paying business associations whether or not the interest is represented by a certificate.
- (3) With specified exceptions, unmatured or unredeemed debt, other than a bearer bond or an original issue discount bond, is presumed unclaimed *three years* after the date of the earliest interest payment unclaimed by the owner.
- (4) With specified exceptions, matured or redeemed debt is presumed unclaimed *three years* after the date of maturity or redemption.

- (5) At the time property is presumed unclaimed under sub. (1) or (2), any other property right accrued or accruing to the owner as a result of the property interest and not previously presumed unclaimed is also presumed unclaimed.
- (6) A 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 shall not be presumed to be abandoned if the holder has sent a statement or other business communication concerning the property to the owner by first class mail and the statement or other business communication has not been returned for inability to make delivery to the addressee.
- (7) Any dividend, profit, distribution, interest, redemption, payment on principal, or other sum held or owning [sic] by a business association for or to its shareholder, certificate holder, member, bondholder, or other security holder, who has not claimed it, or corresponded in writing with the business association concerning it, within *three years* after the date prescribed for payment or delivery, is presumed unclaimed.
- (8) The running of any *three-year period* under this section ceases if the person does any of the following:
 - a. Communicates in writing with the association or its agent regarding the interest or a dividend, distribution, or other sum payable as a result of the interest.
 - b. Otherwise communicates 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 or its agent.
 - c. Presents an instrument issued to pay interest or a dividend or other cash distribution. 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 in which the property is presumed unclaimed commences and relates back only to the time a subsequent dividend, distribution, or other sum became due and payable.

Legislative History

Senate Amendment 1 was offered by Senator Grothman. On March 6, 2006, the Senate Committee on Veterans, Homeland Security, Military Affairs, Small Business and Government Reform recommended adoption of Senate Amendment 1, and passage of Senate Bill 424 as amended, both on votes of Ayes, 4; Noes, 1.

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