Balloon Amendment
House Committee on Taxation
Prepared by: Scott Wells
Office of Revisor of Statutes

HOUSE BILL No. 2196

By Committee on Taxation

2-2

AN ACT concerning abandoned property; relating to de minimis amounts of property; amending K.S.A. 2014 Supp. 58-3935 and repealing the existing section.

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

Section 1. K.S.A. 2014 Supp. 58-3935 is hereby amended to read as follows: 58-3935. (a) Property is presumed abandoned if it is unclaimed by the apparent owner during the time set forth below for the particular property:

(1) Traveler's check, 15 years after its issuance;

(2) money order, seven years after issuance;

(3) except as provided in K.S.A. 58-3943, and amendments thereto, stock or other equity interest in a business association or financial organization, including a security entitlement under article 8 of the uniform commercial code, five years after the earlier of:

(A) The date of the most recent dividend, stock split or other distribution unclaimed by the apparent owner; or

(B) the date of the second mailing of a statement of account or other notification or communication that was returned as undeliverable or after the holder discontinued mailings, notifications or communications to the apparent owner;

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

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

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

(7) amount owed by an insurer on a life or endowment insurance policy or an annuity that has matured or terminated, three years after the

holder of the property only insofar as the interest of the business association in the property is concerned, and the business association is the holder of the property insofar as the interest of any other person in the property is concerned.

(k) Any property held by a financial organization that would otherwise be presumed abandoned under this section shall not be presumed abandoned if the apparent owner:

(1) Owns other property which is not presumed abandoned and if the financial organization communicates in writing with the owner with regard to the property that would otherwise be presumed abandoned under this section at the address to which communications regarding the other property regularly are sent; or

(2) had another relationship with the financial organization concerning which the owner has:

(A) Communicated in writing with the financial organization; or

(B) otherwise indicated an interest as evidenced by a memorandum or other record on file prepared by an employee of the financial organization and if the financial organization communicates in writing with the owner with regard to the property that would otherwise be abandoned under this section at the address to which communications regarding the other relationship regularly are sent.

(l) [~~*For purposes of this subsection, "government entity" means the state, any governmental subdivision, agency, or instrumentality thereof, and any municipality, county, court or any other unit of local government. De minimis property is property valued at $20 or less. De minimis property which is abandoned and in the possession of a government entity shall be held by such government entity for a period of one year. If the de minimis property remains unclaimed for more than one year the governmental entity shall use or dispose of the de minimis property as the government entity sees fit.*~~]

Any financial instrument valued at $20 or less which is abandoned and in the possession of a governmental entity shall be held by such governmental entity for a period of one year. If the financial instrument remains unclaimed for more than one year, the governmental entity shall use or dispose of the financial instrument as the governmental entity sees fit. As used in this subsection, "governmental entity" means the state, any governmental subdivision, agency or instrumentality thereof, and any municipality, county, court or any other unit of local government; and "financial instrument" means any check, draft, money order, certificate of deposit, letter of credit, bill of exchange, credit card, debit card or marketable security.

Sec. 2. K.S.A. 2014 Supp. 58-3935 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.