

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1916
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

C.S.S.B. 1916 establishes a method by which abandoned federal savings bonds would escheat to the state and their value be given to the proper owner. Under this bill, federal savings bonds that go unclaimed for three years after their date of maturity would escheat to the state. The state would then sue the federal government for title to these bonds, after which their value would be redeemed and deposited in general revenue.

The original owner of the bonds would be notified under procedures already established by the Office of the Comptroller of Public Accounts of the State of Texas, in order to allow them to reclaim the value of their bonds that they might not have knowledge have been established in their name. Because not all people will be able to be notified, this bill should result in more money flowing to the state.

C.S.S.B. 1916 amends current law relating to the escheat of United States savings bonds.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 74, Property Code, by adding Subchapter G-1, as follows:

SUBCHAPTER G-1. ESCHEAT OF UNITED STATES SAVINGS BONDS

Sec. 74.651. DEFINITION. Defines "United States savings bond" in this subchapter.

Sec. 74.652. ELIGIBILITY TO ESCHEAT TO STATE. Provides that, notwithstanding any other law, a United States savings bond that is presumed abandoned under this title, including a savings bond in the possession of the comptroller of public accounts of the State of Texas (comptroller) or a lost, stolen, or destroyed savings bond registered to a person with a last known address in the state, is eligible to escheat to the state if the savings bond has remained:

- (1) unredeemed for at least three years after the date of maturity; and
- (2) unclaimed for at least three years after being presumed abandoned.

Sec. 74.653. CIVIL ACTION FOR ESCHEAT. (a) Requires the comptroller, except as provided by this subsection, not later than the 180th day after the date a United States savings bond becomes eligible to escheat to the state under Section 74.652, if a claim has not been filed under this chapter for the savings bond, to commence a civil action in a district court in Travis County or in any other court of competent jurisdiction for a determination that the savings bond has escheated to the state. Authorizes the comptroller to postpone bringing the action until sufficient United States savings bonds have accumulated in the comptroller's custody to justify the expense of proceedings.

(b) Requires that citation in the action be by publication in accordance with the Texas Rules of Civil Procedure.

(c) Requires the court, if a claim for the United States savings bond is not filed with the court or the court determines that a claimant is not entitled to the savings bond, and if the court is satisfied by evidence that the comptroller has substantially complied with the laws of this state, to enter a judgment that the savings bond has escheated to the state. Provides that if the savings bond escheats to the state, all property rights and legal title to and ownership of the savings bond and proceeds of the savings bond, including all rights, powers, and privileges of survivorship of any owner, co-owner, or beneficiary, vest solely in the state.

Sec. 74.654. REDEMPTION OF ESCHEATED SAVINGS BOND. (a) Requires the comptroller, if the court enters a judgment that a United States savings bond has escheated to the state under Section 74.653, to redeem the savings bond.

(b) Requires the comptroller to first pay all costs incident to the collection and recovery of the proceeds from the proceeds of the bond and to promptly deposit the remaining proceeds in the general revenue fund.

Sec. 74.655. CLAIM AFTER ESCHEAT. (a) Authorizes a person, after a court has entered a judgment that a United States savings bond has escheated to the state under Section 74.653, to file a claim for the savings bond or proceeds from the savings bond with the comptroller. Authorizes the comptroller, if the claimant provides sufficient proof of the validity of the claim, to, in the comptroller's sole discretion, pay the claim less any expenses and costs that the state incurred in securing full title to and ownership of the savings bond or proceeds from the savings bond.

(b) Prohibits an action, if a payment has been made to a claimant under this section, from being maintained by any other claimant against the state or any officer of the state for the savings bond or proceeds from the savings bond or on account of the payment.

SECTION 2. Effective date: upon passage or September 1, 2015.