

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE BILL 1021
Judiciary I Committee Substitute Adopted 5/12/09
House Committee Substitute Favorable 5/27/09

Short Title: Property Finders.

(Public)

Sponsors:

Referred to:

March 26, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO PROTECT OWNERS OF ABANDONED PROPERTY BY REGULATING
3 PROPERTY FINDERS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 116B-62 reads as rewritten:

6 "§ 116B-62. Preparation of list of owners by Treasurer.

7 (a) There shall be delivered in an electronic format to the Administrative Office of the
8 Courts to be distributed to the clerk of superior court of each county prior to June 30 of each
9 year a list prepared by the Treasurer of escheated and abandoned property reported to the
10 Treasurer. The list shall contain:

- 11 (1) The names, if known, in alphabetical order of surname, and last known
12 addresses, if any, of apparent owners of escheated and abandoned property;
13 (2) The names and addresses of the holders of the abandoned property; and
14 (3) A statement that claim and proof of legal entitlement to escheated or
15 abandoned property shall be presented by the owner to the Treasurer, which
16 statement shall set forth where further information may be obtained.

17 (b) At the time the lists are distributed to the clerks of superior court, but no later than
18 June 30 of each year, the Treasurer shall cause to be published once each week for two
19 consecutive weeks, in at least two newspapers having general circulation in this State, a notice
20 stating the nature of the lists and that the lists are available for inspection at the offices of the
21 respective clerks of superior court, together with any other information the Treasurer deems
22 appropriate to appear in the notice.

23 (c) The Treasurer is not required to include in any list any item of a value, as
24 determined by the Treasurer, in the Treasurer's discretion, of less than fifty dollars (\$50.00),
25 unless the Treasurer deems inclusion of items of lesser amounts to be in the public interest.

26 (d) The clerks of superior court shall ~~retain the lists on permanent file in their offices~~
27 ~~and shall make them~~ make the lists available for public inspection.

28 (e) The lists prepared by the Treasurer shall include only escheated and abandoned
29 property reported for the current reporting date and are not required to be cumulative lists of
30 escheated and abandoned property previously reported.

31 (f) Notwithstanding the provisions of Chapter 132 of the General Statutes, the
32 supporting data and lists of apparent owners of escheated and abandoned property may be
33 confidential until six months after the notice to clerks of superior court required by subsection
34 (b) of this section has been distributed. This subsection shall not apply to owners of reported
35 property making inquiries about their property to the Escheat Fund."

36 SECTION 2. G.S. 116B-78 reads as rewritten:



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1 **"§ 116B-78. Agreement to locate property.**

2 (a) ~~An agreement by an owner, covered by this section, the primary purpose of which is~~
3 ~~to locate, deliver, recover, or assist in the recovery of property that is presumed abandoned, is~~
4 ~~being held by a clerk of superior court, or has been transferred to the State Treasurer by a clerk~~
5 ~~of superior court, is void and unenforceable if it was entered into during the period~~
6 ~~commencing on the date the property was presumed abandoned and extending to a time that is~~
7 ~~24 months after the date the property is paid or delivered to the Treasurer. Treasurer or the clerk~~
8 ~~of superior court. Agreements under this section include power of attorney agreements and~~
9 ~~agreements to sell or release interest in property that is presumed abandoned. This subsection~~
10 ~~does not apply to an owner's agreement with an attorney to file a claim or special proceeding as~~
11 ~~to identified property or contest the Treasurer's denial of a claim. claim or a clerk's denial of a~~
12 ~~petition.~~

13 (b) ~~An agreement by an owner, the primary purpose of which is to locate, deliver,~~
14 ~~recover, or assist in the recovery of property, covered by this section is enforceable only if the~~
15 ~~agreement if it meets all of the following criteria:~~

- 16 (1) ~~is~~ Is in writing, writing and clearly sets forth the nature of the property and
17 the services to be rendered, rendered.
- 18 (2) ~~is~~ Is signed by the owner, owner under oath.
- 19 (3) Describes the property, which includes the type of property, the property ID,
20 and the name of the holder.
- 21 (4) States that there may be other claims to the property that may reduce the
22 share of the owner.
- 23 (5) ~~and states~~ States the value of the property before and after the fee or other
24 compensation has been deducted.
- 25 (6) States clearly the fees and costs for services. Total fees and costs shall not
26 exceed one thousand dollars (\$1,000) or twenty percent (20%) of the value
27 of the property recovered, whichever is less.
- 28 (7) Discloses that the property is being held by the North Carolina Department
29 of State Treasurer's Unclaimed Property Program or in a clerk of superior
30 court's office, as applicable.

31 (c) If an agreement covered by this section applies to mineral proceeds and the
32 agreement contains a provision to pay compensation that includes a portion of the underlying
33 minerals or any mineral proceeds not then presumed abandoned, the provision is void and
34 unenforceable.

35 (d) ~~Any person who enters into an An~~ agreement covered by this section that provides
36 for compensation that is unconscionable is unenforceable except by the owner. with an owner
37 shall be allowed to receive cash property, but not tangible property or securities, on behalf of
38 the owner but shall not be authorized to negotiate the check made payable to the owner. An
39 owner who has made an agreement to pay compensation that is unconscionable, or the
40 Treasurer on behalf of the owner, may maintain an action to reduce the compensation to a
41 conscionable amount. The court may award reasonable attorneys' fees to an owner who prevails
42 in the action. Tangible property shall be delivered to the owner by the Treasurer, and securities
43 will be reregistered into the owner's name.

44 (e) This section does not preclude an owner from asserting that an agreement covered
45 by this section is invalid on grounds other than as provided in subsection ~~(d)~~(b) of this section.

46 (f) Any person who enters into an agreement covered by this section with an owner
47 shall register ~~annually~~ each calendar year with the Treasurer. The information to be required
48 under this subsection shall include the person's name, address, telephone number, state of
49 incorporation or residence, as applicable, and the person's social security or federal
50 identification number. A registration fee of one hundred dollars (\$100.00) shall be paid to the

1 Treasurer at the time of the filing of the registration information. Fees received under this
2 subsection shall be credited to the General Fund.

3 (g) In addition to rendering an agreement void and unenforceable, a failure to comply
4 with the provisions of this section constitutes an unfair or deceptive trade practice under
5 G.S. 75-1.1."

6 **SECTION 3.** Article 22 of Chapter 28A of the General Statutes is amended by
7 adding a new section to read:

8 "**§ 28A-22-11. Agreements with heirs.**

9 Any agreement by an heir, unknown or known but unlocated, the primary purpose of which
10 is to locate or recover, or assist in the recovery, of a share in a decedent's estate shall be subject
11 to the provisions of G.S. 116B-78(b)."

12 **SECTION 4.** This act becomes effective October 1, 2009, and applies to
13 agreements entered into on or after that date.