

By: Watson

S.B. No. 1916

A BILL TO BE ENTITLED

AN ACT

relating to the escheat of United States savings bonds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 74, Property Code, is amended by adding Subchapter G-1 to read as follows:

SUBCHAPTER G-1. ESCHEAT OF UNITED STATES SAVINGS BONDS

Sec. 74.651. DEFINITION. In this subchapter, "United States savings bond" means property, tangible or intangible, in the form of a savings bond issued by the United States Treasury whether in paper form, electronic form, or paperless form, including all proceeds of the savings bond.

Sec. 74.652. ELIGIBILITY TO ESCHEAT TO STATE. 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 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) Except as provided by this subsection, not later than the 180th day after the

1 date a United States savings bond becomes eligible to escheat to the  
2 state under Section 74.652, if a claim has not been filed under this  
3 chapter for the savings bond, the comptroller shall commence a  
4 civil action in a district court in Travis County or in any other  
5 court of competent jurisdiction for a determination that the  
6 savings bond has escheated to the state. The comptroller may  
7 postpone bringing the action until sufficient United States savings  
8 bonds have accumulated in the comptroller's custody to justify the  
9 expense of the proceedings. On request of the comptroller, the  
10 attorney general shall represent the comptroller in the civil  
11 action.

12 (b) Citation in the action shall be by publication in  
13 accordance with the Texas Rules of Civil Procedure.

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

24 Sec. 74.654. REDEMPTION OF ESCHEATED SAVINGS BOND. (a) If  
25 the court enters a judgment that a United States savings bond has  
26 escheated to the state under Section 74.653, the comptroller shall  
27 redeem the savings bond.

1       (b) The comptroller shall first pay all costs incident to  
2 the collection and recovery of the proceeds from the proceeds of the  
3 bond and shall promptly deposit the remaining proceeds in the  
4 general revenue fund.

5       Sec. 74.655. CLAIM AFTER ESCHEAT. (a) After a court has  
6 entered a judgment that a United States savings bond has escheated  
7 to the state under Section 74.653, a person may file a claim for the  
8 savings bond or proceeds from the savings bond with the  
9 comptroller. If the claimant provides sufficient proof of the  
10 validity of the claim, the comptroller may, in the comptroller's  
11 sole discretion, pay the claim less any expenses and costs that the  
12 state incurred in securing full title to and ownership of the  
13 savings bond or proceeds from the savings bond.

14       (b) If a payment has been made to a claimant under this  
15 section, an action may not be maintained by any other claimant  
16 against the state or any officer of the state for the savings bond  
17 or proceeds from the savings bond or on account of the payment.

18       SECTION 2. This Act takes effect immediately if it receives  
19 a vote of two-thirds of all the members elected to each house, as  
20 provided by Section 39, Article III, Texas Constitution. If this  
21 Act does not receive the vote necessary for immediate effect, this  
22 Act takes effect September 1, 2015.