

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 71, Property Code, is amended by adding SUBCHAPTER E to read as follows:

SUBCHAPTER E. ESCHEAT OF UNITED STATES SAVINGS BONDS

Sec. 71.401 (a) "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, electric, or paperless form, along with all proceeds thereof.

(b) Notwithstanding other provisions of this chapter and any other contrary provision of Title 6 or other law, United States savings bonds which are subject to the provisions of this Title, including bonds in the possession of the comptroller, and those lost, stolen, or destroyed bonds registered to persons with last known addresses in the state, shall be presumed abandoned when such bonds have remained unclaimed for three years after their date of maturity.

(c) United States savings bonds which are presumed abandoned under Subsection (b), including bonds in the possession of the comptroller, and those lost, stolen, or destroyed bonds registered to persons with last known addresses in the state, shall escheat to the State of Texas three years after such bonds are presumed abandoned, and all property rights and legal title to and

1 ownership of such United States Savings Bonds or proceeds from such
2 bonds, including all rights, powers, and privileges of survivorship
3 of any owner, co-owner or beneficiary, shall vest solely in the
4 State of Texas according to the procedure set forth in Subsections
5 (d) through (h).

6 (d) Within 180 days after the applicable three years in
7 Subsection (c), if no claim has been filed in accordance with the
8 provisions of this Title for such United States savings bonds, the
9 comptroller shall commence a civil action in a district court in
10 Travis County, Texas, or in any other court of competent
11 jurisdiction, for a determination that such United States savings
12 bonds have escheated to the state of Texas. The comptroller may
13 postpone the bringing of such action until sufficient United States
14 savings bonds have accumulated in the comptroller's custody to
15 justify the expense of such proceedings.

16 (e) The sheriff or any constable of any county of the State
17 of Texas or the clerk of the court in which the case is pending shall
18 make service of the citation by publication in accordance with the
19 provisions of Texas Rules of Civil Procedure, Part II, Section 5,
20 Rules 109 through 118.

21 (f) If no person shall file a claim or appear at the hearing
22 to substantiate a claim or where the court shall determine that a
23 claimant is not entitled to the property claimed by such claimant,
24 then the court, if satisfied by evidence that the comptroller has
25 substantially complied with the laws of this state, shall enter a
26 judgment that the subject United States savings bonds have
27 escheated to the State of Texas, and all property rights and legal

1 title to and ownership of such United States savings bonds or
2 proceeds from such bonds, including all rights, powers, and
3 privileges of survivorship of any owner, co-owner, or beneficiary,
4 have vested solely in the state of Texas.

5 (g) Notwithstanding Sections 74.507 and 74.704, the
6 comptroller shall redeem such United States savings bonds escheated
7 to the State of Texas and when the proceeds which have escheated
8 have been recovered by the comptroller, it shall first pay all costs
9 incident to the collection and recovery of such proceeds from the
10 redemption of the United States savings bonds and shall thereafter
11 promptly deposit the remaining balance of such proceeds in the
12 general revenue fund [or any other fund you decide is correct] to be
13 distributed in accordance with law.

14 (h) Any person making a claim for the United States savings
15 bonds escheated to the State of Texas under this Chapter, or for the
16 proceeds from such bonds, may file a claim with the comptroller.
17 Upon providing sufficient proof of the validity of such person's
18 claim, the Treasurer may, in his or her sole discretion, pay such
19 claim less any expenses and costs which shall have been incurred by
20 the state in securing full title and ownership of such property by
21 escheat. If payment has been made to any claimant, no action
22 thereafter shall be maintained by any other claimant against the
23 state or any officer thereof, for or on account of such funds.

24 SECTION 2. Section 74.001(a), Property Code, is amended to
25 read as follows:

26 (a) Except as provided by Subsection (b), this chapter
27 applies to a holder of property that is presumed abandoned under

1 Chapter 71 Subchapter E, Chapter 72, Chapter 73, or Chapter 75.

2 SECTION 3. This Act takes effect immediately if it receives
3 a vote of two-thirds of all the members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect September 1, 2015.