

AN ACT

relating to the administration of unclaimed property.

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

SECTION 1. Section 551.005(b), Estates Code, is amended to read as follows:

(b) The clerk of a court that orders an executor or administrator to pay funds to the comptroller under Section 551.001 shall provide to ~~[serve on]~~ the comptroller, by certified mail or e-mail ~~[personal service of citation]~~, a certified copy of the court order not later than the fifth day after the date the order is issued.

SECTION 2. Section 1109.013(c), Insurance Code, is amended to read as follows:

(c) An insurer shall report and deliver unclaimed proceeds to the comptroller as required by Chapter 74, Property Code ~~[Section 1109.051]~~.

SECTION 3. Section 72.001, Property Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) Tangible or intangible personal property is not subject to this chapter if it is a worthless or non-freely transferable security.

SECTION 4. Section 74.001(a), Property Code, is amended to read as follows:

(a) Except as provided by this section ~~[Subsection (b)]~~,

1 this chapter applies to:

2 (1) property that is presumed abandoned under Chapter  
3 72, Chapter 73, or Chapter 75;

4 (2) property that is presumed abandoned under Chapter  
5 154, Finance Code;

6 (3) unclaimed proceeds under Chapter 1109, Insurance  
7 Code; or

8 (4) any other law requiring a person to report and  
9 deliver property to the comptroller under this chapter.

10 SECTION 5. Section 74.101(a), Property Code, is amended to  
11 read as follows:

12 (a) Each holder who on March 1 holds property to which this  
13 chapter applies [~~that is presumed abandoned under Chapter 72, 73,~~  
14 ~~or 75 of this code or under Chapter 154, Finance Code,~~] shall file a  
15 report of that property on or before the following July 1. The  
16 comptroller may require the report to be in a particular format,  
17 including a format that can be read by a computer.

18 SECTION 6. Sections 74.1011(a), (b), and (b-1), Property  
19 Code, are amended to read as follows:

20 (a) Except as provided by Subsection (b), a holder who on  
21 March 1 holds property to which this chapter applies that is valued  
22 at more than \$250 [~~that is presumed abandoned under Chapter 72, 73,~~  
23 ~~or 75 of this code or Chapter 154, Finance Code,~~] shall, not later  
24 than the 60th day before the date the property is delivered to the  
25 comptroller, provide to the owner by [~~on or before the following May~~  
26 ~~1,~~] mail to the last known address of the [known] owner or by e-mail  
27 written notice stating that:

- 1           (1) the holder is holding the property; and  
2           (2) the holder may be required to deliver the property  
3 to the comptroller on or before July 1 if the property is not  
4 claimed.

5           (b) The notice required under Subsection (a) does not apply  
6 to a holder who:

7           (1) has already provided such notice to the owner of  
8 the property or a person entitled to the property under existing  
9 federal law, rules, and regulations or state law within the time  
10 specified under Subsection (a); or

11           (2) does not have a record of a physical or e-mail ~~[an]~~  
12 address for the property owner or any other person entitled to the  
13 property.

14           (b-1) If an owner has designated a representative for notice  
15 under Section 72.1021 or 73.103, the holder shall mail or e-mail the  
16 written notice required under Subsection (a) to the representative  
17 in addition to providing written ~~[mailing the]~~ notice to the owner.

18           SECTION 7. Section 74.301(a), Property Code, is amended to  
19 read as follows:

20           (a) Except as provided by Subsection (c), each holder who on  
21 March 1 holds property to which this chapter applies ~~[that is~~  
22 ~~presumed abandoned under Chapter 72, 73, or 75]~~ shall deliver the  
23 property to the comptroller on or before the following July 1  
24 accompanied by the report required to be filed under Section  
25 74.101.

26           SECTION 8. Section 74.401(d), Property Code, is amended to  
27 read as follows:

1 (d) If after investigation the comptroller determines that  
2 property delivered under this chapter is not marketable or [~~from a~~  
3 ~~safe deposit box or other repository~~] has insubstantial commercial  
4 value, the comptroller may destroy or otherwise dispose of the  
5 property at any time.

6 SECTION 9. Subchapter E, Chapter 74, Property Code, is  
7 amended by adding Section 74.405 to read as follows:

8 Sec. 74.405. DISPOSITION OF SECURITIES. (a) The  
9 comptroller may sell or otherwise liquidate a security delivered to  
10 the comptroller under this chapter.

11 (b) The comptroller may not sell a security listed on an  
12 established stock exchange for less than the price prevailing on  
13 the exchange at the time of sale. The comptroller may sell a  
14 security not listed on an established exchange by any commercially  
15 reasonable method.

16 SECTION 10. Sections 74.501(c), (d), and (f), Property  
17 Code, are amended to read as follows:

18 (c) All claims to which this subchapter [~~section~~] applies  
19 must:

20 (1) identify the specific property in the possession  
21 of the comptroller that is being claimed;

22 (2) include all necessary documentation the  
23 comptroller may require; and

24 (3) except as provided by Section 74.503, be filed in  
25 accordance with procedures, contain the information, and be on  
26 forms prescribed by the comptroller.

27 (d) On receipt of a claim form and all necessary

1 documentation the comptroller may require, or [~~and~~] as may be  
2 appropriate under the circumstances, the comptroller may approve  
3 the claim of:

4 (1) the reported owner of the property;

5 (2) if the reported owner died testate:

6 (A) the appropriate legal beneficiaries of the  
7 owner as provided by the last will and testament of the owner that  
8 has been accepted into probate or filed as a muniment of title; [~~or~~]

9 (B) the executor of the owner's last will and  
10 testament who holds current letters testamentary; or

11 (C) the appropriate legal beneficiaries of the  
12 owner as provided by a valid last will and testament of the owner  
13 that has not been accepted into probate or filed as a muniment of  
14 title, if:

15 (i) the amount of the property being  
16 claimed is less than \$10,000; and

17 (ii) the beneficiaries named in the will  
18 are the same persons who would inherit the property if the owner had  
19 died intestate;

20 (3) if the reported owner died intestate:

21 (A) the legal heirs of the owner as provided by  
22 Sections 201.001, [~~and~~] 201.002, and 201.003, Estates Code; [~~or~~]

23 (B) the court-appointed independent  
24 administrator of the owner's estate, if the administrator was  
25 appointed before the fourth anniversary of the date of the death of  
26 the owner; or

27 (C) the court-appointed dependent administrator

1 of the owner's estate;

2 (4) the legal heirs of the reported owner as  
3 established by a determination [~~an affidavit~~] of heirship order  
4 signed by a judge of the county probate court or by a county judge;

5 (5) if the reported owner is a minor child or an adult  
6 who has been adjudged incompetent by a court of law, the parent or  
7 legal guardian of the child or adult;

8 (6) if the reported owner is a corporation:

9 (A) the president or chair of the board of  
10 directors of the corporation, on behalf of the corporation; or

11 (B) any person who has legal authority to act on  
12 behalf of the corporation;

13 (7) if the reported owner is a corporation that has  
14 been dissolved or liquidated:

15 (A) the sole surviving shareholder of the  
16 corporation, if there is only one surviving shareholder;

17 (B) the surviving shareholders of the  
18 corporation in proportion to their ownership of the corporation, if  
19 there is more than one surviving shareholder;

20 (C) the corporation's bankruptcy trustee,  
21 bankruptcy estate representative, or other person authorized  
22 pursuant to Title 11, United States Code, or an order of a  
23 bankruptcy court to act on behalf of or for the benefit of the  
24 corporation's bankruptcy estate, or any assignee of any such  
25 person; or

26 (D) the court-ordered receiver for the  
27 corporation; or

1 (8) any other person that is entitled to receive the  
2 unclaimed property under other law or comptroller policy.

3 (f) Notwithstanding Subsection (e), the [The] comptroller  
4 may approve the [a] claim of [for]:

5 (1) the attorney general or other Title IV-D agency,  
6 as defined by Section 101.033, Family Code, for child support  
7 arrearages owed by the reported owner of the property that are [and]  
8 reflected in a child support lien notice that complies with Section  
9 157.313, Family Code; or

10 (2) a person holding a durable power of attorney of a  
11 person who is medically incapacitated. [~~A claim under this~~  
12 ~~subsection may be submitted by the lienholder or the attorney~~  
13 ~~general on behalf of the lienholder.~~]

14 SECTION 11. Section 74.501(e), Property Code, as amended by  
15 Chapters 267 (S.B. 1420) and 897 (H.B. 3598), Acts of the 86th  
16 Legislature, Regular Session, 2019, is reenacted and amended to  
17 read as follows:

18 (e) Except as provided by Subsection (d)(7) or (f) or  
19 Section 551.051, Estates Code, the comptroller may not pay to the  
20 following persons a claim to which this section applies:

21 (1) a creditor, a judgment creditor, a lienholder, or  
22 an assignee of the reported owner or of the owner's heirs;

23 (2) a person holding a power of attorney from the  
24 reported owner or the owner's heirs; or

25 (3) a person attempting to make a claim on behalf of a  
26 corporation that was previously forfeited, dissolved, or  
27 terminated, if the comptroller finds that:

1 (A) the corporation was revived for the purpose  
2 of making a claim under this section; and

3 (B) the person submitting the claim was not an  
4 authorized representative of the corporation at the time of the  
5 corporation's forfeiture, dissolution, or termination.

6 SECTION 12. Subchapter F, Chapter 74, Property Code, is  
7 amended by adding Section 74.503 to read as follows:

8 Sec. 74.503. WAIVER OF CLAIM REQUIREMENT. The comptroller  
9 may waive the requirement of filing a claim and pay or deliver  
10 property directly to a person who does not file a claim if:

11 (1) the person receiving the property is the reported  
12 owner of the property;

13 (2) the comptroller reasonably believes the person is  
14 entitled to receive the property or payment; and

15 (3) the property has a value of less than \$5,000.

16 SECTION 13. Sections 74.506(a) and (b), Property Code, are  
17 amended to read as follows:

18 (a) A person who has filed a claim that complies with  
19 Section 74.501(c) may appeal ~~[aggrieved by]~~ the decision of the  
20 comptroller on the ~~[a]~~ claim ~~[filed under this subchapter may~~  
21 ~~appeal the decision]~~ before the 61st day after the day on which it  
22 was rendered.

23 (b) If a claim that complies with Section 74.501(c) has not  
24 been decided before the 91st day after the day on which it was  
25 filed, the claimant may file an appeal if, after the claimant  
26 provides notice by certified mail to the comptroller of the intent  
27 to file an appeal, the comptroller does not reach a decision on the



1 claim on or before the 60th day after the date the notice is  
2 delivered to the comptroller. An appeal under this section must be  
3 made within one year of the date the claim was filed [~~the 60-day~~  
4 ~~period beginning on the 91st day after the day of filing~~].

5 SECTION 14. The heading to Section 74.507, Property Code,  
6 is amended to read as follows:

7 Sec. 74.507. ASSISTANCE OF CLAIMANT; FEE FOR RECOVERY.

8 SECTION 15. Section 74.507, Property Code, is amended by  
9 amending Subsection (a) and adding Subsection (c) to read as  
10 follows:

11 (a) A person who informs a potential claimant that the  
12 claimant may be entitled to claim property that is reportable to the  
13 comptroller under this chapter, that has been reported to the  
14 comptroller, or that is in the possession of the comptroller may not  
15 contract for or receive from the claimant for services an amount  
16 that exceeds 10 percent of the value of the property recovered, plus  
17 reasonable attorney's fees necessary to pursue the claim. If the  
18 property involved is mineral proceeds, the amount for services may  
19 not include a portion of the underlying minerals or any production  
20 payment, overriding royalty, or similar payment.

21 (c) An agreement to assist a claimant in the recovery of  
22 property that is reportable to the comptroller, that has been  
23 reported to the comptroller, or that is in the possession of the  
24 comptroller under this chapter is enforceable only if the  
25 agreement:

26 (1) clearly states the nature of the property and the  
27 services to be provided;

1           (2) is signed by or on behalf of the claimant; and

2           (3) states the amount or value of the property  
3 reasonably expected to be recovered, computed before and after a  
4 fee or other compensation has been deducted.

5           SECTION 16. Section 74.601(e), Property Code, is amended to  
6 read as follows:

7           (e) The comptroller may [~~on receipt or from time to time may~~  
8 ~~sell securities, including stocks, bonds, and mutual funds,~~  
9 ~~received under this chapter or any other statute requiring the~~  
10 ~~delivery of unclaimed property to the comptroller and] use the  
11 proceeds from the sale of securities delivered under this chapter  
12 to buy, exchange, invest, or reinvest in marketable securities.  
13 When making or selling the investments, the comptroller shall  
14 exercise the judgment and care of a prudent person.~~

15           SECTION 17. Section 74.707(a), Property Code, is amended to  
16 read as follows:

17           (a) The comptroller may waive penalty or interest, in whole  
18 or in part, imposed on delinquent property if the comptroller  
19 determines that the holder has made a good faith effort to comply  
20 with Chapters 72-75, or for other good cause.

21           SECTION 18. The following provisions of the Insurance Code  
22 are repealed:

23           (1) Section 1109.013(d);

24           (2) Section 1109.101; and

25           (3) Subchapters B and D, Chapter 1109.

26           SECTION 19. Section 1109.013(c), Insurance Code, as amended  
27 by this Act, applies only to a report that is due under Chapter 74,

1 Property Code, on or after September 1, 2021.

2 SECTION 20. To the extent of any conflict, this Act prevails  
3 over another Act of the 87th Legislature, Regular Session, 2021,  
4 relating to nonsubstantive additions to and corrections in enacted  
5 codes.

6 SECTION 21. This Act takes effect immediately if it  
7 receives a vote of two-thirds of all the members elected to each  
8 house, as provided by Section 39, Article III, Texas Constitution.  
9 If this Act does not receive the vote necessary for immediate  
10 effect, this Act takes effect September 1, 2021.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 1514 was passed by the House on April 8, 2021, by the following vote: Yeas 149, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1514 on May 3, 2021, by the following vote: Yeas 145, Nays 0, 1 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 1514 was passed by the Senate, with amendments, on April 29, 2021, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor