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**HOUSE BILL NO. 2398**

Offered February 20, 2015

*A BILL to amend the Code of Virginia by adding a section numbered 55-210.9:3, relating to the escheat and disposition of unclaimed U.S. savings bonds.*

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 Patron—Ware
 

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 Introduced at the request of the Governor
 

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 Referred to Committee on Commerce and Labor
 

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**Be it enacted by the General Assembly of Virginia:****1. That the Code of Virginia is amended by adding a section numbered 55-210.9:3 as follows:****§ 55-210.9:3. Disposition of unclaimed U.S. savings bonds.**

*A. As used in this section, "U.S. savings bond" means property, tangible or intangible, in the form of a savings bond issued by the United States Treasury, whether in paper, electronic, or paperless form, along with all proceeds thereof.*

*B. Notwithstanding the provisions of § 55-210.9, 55-210.17, 55-210.19, or any other law to the contrary, U.S. savings bonds held or owing in the Commonwealth by any person, issued or owed in the course of a holder's business, or held by a state or other government, governmental subdivision, agency, or instrumentality, and all proceeds thereof, shall be presumed abandoned in the Commonwealth if:*

*1. The last known address of the owner of the U.S. savings bond is in the Commonwealth; and*

*2. The U.S. savings bond has remained unclaimed and unredeemed for five years after final maturity.*

*C. U.S. savings bonds that are presumed abandoned under subsection B, including bonds in the possession of the administrator, and those lost, stolen, or destroyed bonds registered to persons with last known addresses in the Commonwealth, shall escheat to the Commonwealth one year after such bonds are presumed abandoned, and all property rights and legal title to and ownership of the U.S. savings bonds or proceeds from the bonds, including all rights, powers, and privileges of survivorship of any owner, co-owner, or beneficiary, shall vest solely in the Commonwealth according to the procedure set forth in subsections D through G.*

*D. Within 180 days after the one year prescribed in subsection C, if no claim has been filed in accordance with the provisions of this section for such U.S. savings bonds, the administrator shall commence a civil action in the Circuit Court of the City of Richmond or in any other court of competent jurisdiction for a determination that such U.S. savings bonds shall escheat to the Commonwealth. The administrator may postpone the bringing of such action until sufficient U.S. savings bonds have accumulated in the administrator's custody to justify the expense of such proceedings.*

*E. The administrator shall make service by publication of the civil action in accordance with the provisions of §§ 8.01-316 through 8.01-319.*

*F. If no person files a claim or appears at the hearing to substantiate a claim or where the court determines that a claimant is not entitled to the property claimed by such claimant, then the court, if satisfied by evidence that the administrator has substantially complied with the laws of the Commonwealth, shall enter a judgment that the subject U.S. savings bonds, including bonds in the possession of the administrator and those lost, stolen, or destroyed bonds registered to persons with last known addresses in the Commonwealth, have escheated to the Commonwealth, and all property rights and legal title to and ownership of such U.S. savings bonds or proceeds from such bonds, including all rights, powers, and privileges of survivorship of any owner, co-owner, or beneficiary, shall vest in the Commonwealth.*

*G. The administrator shall redeem such U.S. savings bonds escheated to the Commonwealth and, when the proceeds that have escheated have been recovered by the administrator, it shall first pay all costs incident to the collection and recovery of such proceeds from the redemption of the U.S. savings bonds and shall thereafter promptly deposit the remaining balance of such proceeds into the Literary Fund pursuant to Article VIII, Section 8 of the Constitution of Virginia.*

*H. Any person making a claim for the U.S. savings bonds escheated to the Commonwealth under this section, or for the proceeds from such bonds, may file a claim with the administrator. Upon receipt of sufficient proof of the validity of such person's claim, the administrator may, in his sole discretion, pay such claim less any expenses and costs that have been incurred by the Commonwealth in securing full title and ownership of such property by escheat from any available balances in unclaimed property accounts. If payment has been made to any claimant, no action thereafter shall be maintained by any other claimant against the Commonwealth or any officer thereof for or on account of such funds.*

INTRODUCED

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