

## Escheatment of United States Savings Bonds

SECTION 1. Chapter 18, Title 27 of the 1976 Code is amended by adding:

§Section 27-18-75. (A) Notwithstanding any other provisions of law, a United States savings bond in the possession of the administrator or registered to a person with a last known address in this State, including a bond that is lost, stolen, or destroyed, is presumed abandoned and unclaimed five years after the bond reaches final maturity and no longer earns interest. This United States savings bond must be reported and remitted to the administrator by the financial institution or other holder in accordance with the provisions of this chapter if the administrator is not in possession of the bond. If the savings bond is located in a safe deposit box, the financial institution or other holder must report and remit the savings bond to the administrator whether or not the administrator chooses to accept the other contents of the safe deposit box in the manner provided by law.

(B) As used in this section:

- (1) ~~book-entry bond~~ means a savings bond maintained by the United States Treasury in electronic or paperless form as a computer record;
- (2) ~~definitive bond~~ means a savings bond issued by the United States Treasury in paper form;
- (3) ~~final maturity~~ means the date a United States savings bond ceases to earn interest; and
- (4) ~~United States savings bond~~ means a book-entry bond or definitive bond issued by the United States Treasury.

(C)(1) After a United States savings bond is abandoned and unclaimed in accordance with subsection (A), the administrator may commence a civil action in the court of common pleas in Richland County for a determination that the bond shall escheat to the State. Upon determination of escheatment, all property rights to the bond or proceeds from the bond, including all rights, powers, and privileges or survivorship of an owner, co-owner, or beneficiary, shall vest solely in the State.

(2) Service of process by publication may be made on a party in a civil action pursuant to this section. The notice of action must state the name of any known owner of the bond, the nature of the action or proceeding, the name of the court in which the action or proceeding is instituted, and an abbreviated title of the case.

(3) The notice of action must require a person claiming an interest in the bond to file a written response with the court and serve a copy of the response by the date fixed in the notice. This date must be no later than thirty days from the date the last newspaper notice required by this section was or will be published.

(4) The administrator shall cause the notice of action to be published once a week for three consecutive weeks in a newspaper of general circulation published in Richland County. Proof of publication must be filed with the court.

(5)(a) If no person files a claim with the court for the bond and if the administrator has substantially complied with the provisions of this section and of law, the court shall enter a default judgment that the bond, or proceeds from the bond, has escheated to the State.

(b) If a person files a claim for one or more bonds and, after notice and hearing, the court determines that the claimant is not entitled to the bonds claimed by the claimant, the court shall enter a judgment that the bonds, or proceeds from the bonds, have escheated to the State.

(c) If a person files a claim for one or more bonds and, after notice and hearing, the court determines that the claimant is entitled to the bonds claimed by the claimant, the court shall enter a judgment in favor of the claimant.

(D) The administrator may be reimbursed for the costs of the civil action required by this section from the proceeds of the savings bonds which have escheated to the State under the action and which have been redeemed. To the extent the proceeds, if any, are insufficient to cover the costs of a civil action required by this section, the administrator may deduct the costs from other unclaimed funds received under this chapter before depositing the funds to the credit of the general fund in the manner provided in Section 27-18-240(B).

(E) The administrator may redeem a United States savings bond escheated to the State pursuant to this section or, in the event that the administrator is not in possession of the bond, seek to obtain the proceeds from the bond. Proceeds received by the administrator must be deposited in accordance with Section 27-18-240.

(F) Nothing in this section prohibits the inclusion in a single civil action of multiple United States savings bonds subject to escheatment to the State of South Carolina, and the administrator may postpone the bringing of any such civil action until sufficient United States savings bonds have accumulated in the administrator's custody to justify the expense of the proceeding.

(G) The provisions of this section and Section 27-18-76 supersede any other provisions of this chapter in regard to United States savings bonds to the extent the provisions conflict.

### **Claims for proceeds**

SECTION 2. Chapter 18, Title 27 of the 1976 Code is amended by adding:

§Section 27-18-76. A person claiming a United States savings bond escheated to the State under Section 27-18-75, or for the proceeds from the bond, may file a claim with the administrator. The administrator may approve the claim if the person is able to provide sufficient proof of the validity of the person's claim. No costs of prior court action regarding the savings bond or bonds which are the subject of the person's claim may be taxed against that person. Once a bond, or the proceeds from the bond, are remitted to a claimant, no action thereafter may be maintained by any other person against the administrator, the State, or any officer of the State, for or on account of the funds. The person's sole remedy, if any, must be against the claimant who received the bond or proceeds from the bond.

### **Applicability**

SECTION 3. This act applies to any United States savings bond that reaches maturity on, before, or after the effective date of this act.

### **Time effective**

SECTION 4. This act takes effect upon approval by the Governor.

Ratified the 8<sup>th</sup> day of June, 2015. Approved the 11<sup>th</sup> day of June, 2015.