
ASSEMBLY BILL NO. 84—COMMITTEE
ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE STATE CONTROLLER)

PREFILED NOVEMBER 17, 2016

Referred to Committee on Government Affairs

SUMMARY—Establishes procedures relating to the payment of certain paychecks of state officers and state employees that are unclaimed by their owners. (BDR 23-415)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to state financial administration; establishing procedures for the payment of certain paychecks of state officers and state employees that are unclaimed by their owners; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, if a warrant issued by the State Controller to pay a claim
2 against the State is not presented to the State Treasurer for payment within 180
3 days after the date of issuance, the warrant becomes void and must be cancelled by
4 the State Controller. (NRS 353.130) The person to whom the warrant was issued
5 may request a replacement warrant from the State Controller for up to 6 years after
6 the date of the original warrant. (NRS 353.140) **Section 2** of this bill provides that a
7 warrant for the payment to a state officer or state employee of wages, salary or
8 other compensation that is issued by an agency of the State Government other than
9 the State Controller becomes void if not presented for payment to the State
10 Treasurer within 180 days after the date of issuance. **Section 2** requires the issuing
11 agency to notify the State Treasurer of the cancellation and prohibits the State
12 Treasurer from paying such a warrant.

13 **Section 4** of this bill establishes a procedure by which a person may obtain
14 payment for a cancelled warrant. The person must request such payment not later
15 than June 15 of the fiscal year in which the original warrant was cancelled. **Section**
16 **4** also provides that if, for any reason, the issuing agency has not issued another
17 warrant in lieu of the original warrant before July 1 of that year: (1) the issuing
18 agency shall be deemed a holder of property presumed abandoned and must comply



19 with the statutory provisions concerning such property; and (2) a person who
20 wishes to obtain payment of the amount of the warrant must file a claim with the
21 State Treasurer in his or her capacity as the Administrator of Unclaimed Property.

22 Existing law establishes the powers, duties and liabilities of the State and other
23 persons concerning certain property which is abandoned and unclaimed by its
24 owner. (Chapter 120A of NRS) Under existing law, property that is unclaimed by
25 its apparent owner for a certain period is presumed to be abandoned. (NRS
26 120A.500, 120A.510, 120A.520) **Section 5** of this bill provides that a warrant for
27 the payment to a state officer or state employee of wages, salary or other
28 compensation that is issued by an agency of State Government other than the State
29 Controller is presumed to be abandoned if it is not presented for payment to the
30 State Treasurer within 180 days after the date of issuance and has been cancelled by
31 the issuing agency.

32 **Section 7** of this bill provides that the provisions of this bill apply to any
33 warrant for the payment to a state officer or state employee of wages, salary or
34 other compensation that has been issued by an agency of the State Government and
35 has become void and cancelled, before, on or after October 1, 2017.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 284 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2, 3 and 4 of this act.

3 **Sec. 2. 1.** *Except as otherwise provided in this section, a*
4 *warrant for the payment to a state officer or state employee of*
5 *wages, salary or other compensation that is issued by an agency of*
6 *the State Government other than the State Controller, including,*
7 *without limitation, the Division of Human Resource Management*
8 *of the Department of Administration, becomes void if not*
9 *presented for payment to the State Treasurer within 180 days after*
10 *the date of issuance. Any such warrant remaining unpaid after the*
11 *expiration of the 180 days must be cancelled by the issuing*
12 *agency, and the State Treasurer must be notified immediately of*
13 *the cancellation. The State Treasurer shall not pay a warrant*
14 *presented for payment more than 180 days after the date of*
15 *issuance.*

16 2. *The provisions of this section do not apply in the*
17 *circumstances described in NRS 281.155.*

18 3. *As used in this section:*

19 (a) *“Other compensation” includes, without limitation,*
20 *accumulated annual leave as set forth in NRS 284.350 and unused*
21 *sick leave as set forth in NRS 284.355.*

22 (b) *“State employee” has the meaning ascribed to it in*
23 *NRS 227.205.*

24 (c) *“State officer” has the meaning ascribed to it in*
25 *NRS 227.205.*



1 **Sec. 3.** *Every warrant described in section 2 of this act must*
2 *have the following words printed upon the face thereof: "Void if*
3 *not presented for payment within 180 days after the date of*
4 *issuance."*

5 **Sec. 4.** 1. *An agency that issues a warrant described in*
6 *section 2 of this act shall establish an account for lost and stale*
7 *warrants and credit to the account the amount of each warrant*
8 *cancelled pursuant to section 2 of this act.*

9 2. *If such a warrant has been lost or destroyed, the person in*
10 *whose favor the warrant was drawn may, not later than June 15 of*
11 *the fiscal year in which the warrant became void request the*
12 *issuance of another warrant in lieu of the original warrant by*
13 *filing with the issuing agency an affidavit which:*

14 (a) *Provides sufficient information for the issuing agency to*
15 *identify the original warrant;*

16 (b) *Sets forth the reasons for the failure to present the warrant*
17 *for payment; and*

18 (c) *Affirms that the warrant is not, to the knowledge of the*
19 *affiant, held by any other person or persons.*

20 ↳ *If the issuing agency is satisfied that the original warrant is lost*
21 *or destroyed, and the claim has not been paid by the State, the*
22 *issuing agency may issue another warrant in lieu of the original*
23 *warrant.*

24 3. *If the issuing agency issues another warrant in lieu of an*
25 *original warrant cancelled pursuant to section 2 of this act, the*
26 *issuing agency shall, except as otherwise provided by specific*
27 *statute, charge the amount thereof to the account for lost and stale*
28 *warrants upon which the original warrant was drawn.*

29 4. *If the issuing agency does not issue another warrant in lieu*
30 *of an original warrant before July 1 of the fiscal year in which the*
31 *warrant is cancelled:*

32 (a) *The issuing agency shall be deemed a holder of property*
33 *presumed abandoned and is subject to the provisions of chapter*
34 *120A of NRS; and*

35 (b) *A person who wishes to obtain payment of the amount of*
36 *the original warrant must file a claim with the State Treasurer*
37 *pursuant to NRS 120A.640.*

38 5. *The requirements of subsection 5 of NRS 120A.560 do not*
39 *apply in any case governed by this section.*

40 **Sec. 5.** NRS 120A.500 is hereby amended to read as follows:

41 120A.500 1. Except as otherwise provided in subsections 6
42 and 7, property is presumed abandoned if it is unclaimed by the
43 apparent owner during the time set forth below for the particular
44 property:

45 (a) A traveler's check, 15 years after issuance;



- 1 (b) A money order, 7 years after issuance;
- 2 (c) Any stock or other equity interest in a business association or
3 financial organization, including a security entitlement under NRS
4 104.8101 to 104.8511, inclusive, 3 years after the earlier of the date
5 of the most recent dividend, stock split or other distribution
6 unclaimed by the apparent owner, or the date of the second mailing
7 of a statement of account or other notification or communication
8 that was returned as undeliverable or after the holder discontinued
9 mailings, notifications or communications to the apparent owner;
- 10 (d) Any debt of a business association or financial organization,
11 other than a bearer bond or an original issue discount bond, 3 years
12 after the date of the most recent interest payment unclaimed by the
13 apparent owner;
- 14 (e) A demand, savings or time deposit, including a deposit that
15 is automatically renewable, 3 years after the earlier of maturity or
16 the date of the last indication by the owner of interest in the
17 property, but a deposit that is automatically renewable is deemed
18 matured for purposes of this section upon its initial date of maturity,
19 unless the owner has consented to a renewal at or about the time of
20 the renewal and the consent is in writing or is evidenced by a
21 memorandum or other record on file with the holder;
- 22 (f) Except as otherwise provided in NRS 120A.520, any money
23 or credits owed to a customer as a result of a retail business
24 transaction, 3 years after the obligation accrued;
- 25 (g) Any amount owed by an insurer on a life or endowment
26 insurance policy or an annuity that has matured or terminated, 3
27 years after the obligation to pay arose or, in the case of a policy or
28 annuity payable upon proof of death, 3 years after the insured has
29 attained, or would have attained if living, the limiting age under the
30 mortality table on which the reserve is based;
- 31 (h) Any property distributable by a business association or
32 financial organization in a course of dissolution, 1 year after the
33 property becomes distributable;
- 34 (i) Any property received by a court as proceeds of a class
35 action and not distributed pursuant to the judgment, 1 year after the
36 distribution date;
- 37 (j) Except as otherwise provided in NRS 607.170 and 703.375,
38 any property held by a court, government, governmental
39 subdivision, agency or instrumentality, 1 year after the property
40 becomes distributable;
- 41 (k) ~~Any~~ *Except as otherwise provided in paragraph (l), any*
42 wages or other compensation for personal services, 1 year after the
43 compensation becomes payable;
- 44 (l) *A warrant for the payment to a state officer or state*
45 *employee of wages, salary or other compensation, as described in*



1 *section 2 of this act, that has not been presented for payment to the*
2 *State Treasurer within 180 days after the date of issuance and has*
3 *been cancelled by the issuing agency pursuant to section 2 of this*
4 *act;*

5 (m) A deposit or refund owed to a subscriber by a utility, 1 year
6 after the deposit or refund becomes payable;

7 ~~(m)~~ (n) Any property in an individual retirement account,
8 defined benefit plan or other account or plan that is qualified for tax
9 deferral under the income tax laws of the United States, 3 years after
10 the earliest of the date of the distribution or attempted distribution of
11 the property, the date of the required distribution as stated in the
12 plan or trust agreement governing the plan or the date, if
13 determinable by the holder, specified in the income tax laws of the
14 United States by which distribution of the property must begin in
15 order to avoid a tax penalty; and

16 ~~(n)~~ (o) All other property, 3 years after the owner's right to
17 demand the property or after the obligation to pay or distribute the
18 property arises, whichever first occurs.

19 2. At the time that an interest is presumed abandoned under
20 subsection 1, any other property right accrued or accruing to the
21 owner as a result of the interest, and not previously presumed
22 abandoned, is also presumed abandoned.

23 3. Property is unclaimed if, for the applicable period set forth
24 in subsection 1 or 7, as applicable, the apparent owner has not
25 communicated, in writing or by other means reflected in a
26 contemporaneous record prepared by or on behalf of the holder,
27 with the holder concerning the property or the account in which the
28 property is held and has not otherwise indicated an interest in the
29 property. A communication with an owner by a person other than
30 the holder or its representative who has not in writing identified the
31 property to the owner is not an indication of interest in the property
32 by the owner.

33 4. An indication of an owner's interest in property includes:

34 (a) The presentment of a check or other instrument of payment
35 of a dividend or other distribution made with respect to an account
36 or underlying stock or other interest in a business association or
37 financial organization or, in the case of a distribution made by
38 electronic or similar means, evidence that the distribution has been
39 received;

40 (b) Owner-directed activity in the account in which the property
41 is held, including a direction by the owner to increase, decrease or
42 change the amount or type of property held in the account;

43 (c) The making of a deposit to or withdrawal from a bank
44 account; and



1 (d) The payment of a premium with respect to a property interest
2 in an insurance policy, but the application of an automatic premium
3 loan provision or other nonforfeiture provision contained in an
4 insurance policy does not prevent a policy from maturing or
5 terminating if the insured has died or the insured or the beneficiary
6 of the policy has otherwise become entitled to the proceeds before
7 the depletion of the cash surrender value of a policy by the
8 application of those provisions.

9 5. Property is payable or distributable for purposes of this
10 chapter notwithstanding the owner's failure to make demand or
11 present an instrument or document otherwise required to obtain
12 payment.

13 6. The following property clearly designated as such must not
14 be presumed abandoned because of inactivity or failure to make a
15 demand:

- 16 (a) An account or asset managed through a guardianship;
- 17 (b) An account blocked at the direction of a court;
- 18 (c) A trust account established to address a special need;
- 19 (d) A qualified income trust account;
- 20 (e) A trust account established for tuition purposes;
- 21 (f) A trust account established on behalf of a client; and
- 22 (g) An account or fund established to meet the costs of burial.

23 7. For property described in paragraphs (c) to (f), inclusive,
24 and ~~(n)~~ (o) of subsection 1, the 3-year period described in each of
25 those paragraphs must be reduced to a 2-year period if the holder of
26 the property reported more than \$10 million in property presumed
27 abandoned on the holder's most recent report of abandoned property
28 made pursuant to NRS 120A.560.

29 **Sec. 6.** NRS 120A.560 is hereby amended to read as follows:

30 120A.560 1. A holder of property presumed abandoned shall
31 make a report to the Administrator concerning the property.

32 2. The report must be verified and must contain:

- 33 (a) A description of the property;
- 34 (b) Except with respect to a traveler's check or money order, the
35 name, if known, and last known address, if any, and the social
36 security number or taxpayer identification number, if readily
37 ascertainable, of the apparent owner of property of the value of \$50
38 or more;
- 39 (c) In the case of an amount of \$50 or more held or owing under
40 an annuity or a life or endowment insurance policy, the full name
41 and last known address of the annuitant or insured and of the
42 beneficiary;

43 (d) In the case of property held in a safe-deposit box or other
44 safekeeping depository, an indication of the place where it is held



1 and where it may be inspected by the Administrator and any
2 amounts owing to the holder;

3 (e) The date, if any, on which the property became payable,
4 demandable or returnable and the date of the last transaction with
5 the apparent owner with respect to the property; and

6 (f) Other information that the Administrator by regulation
7 prescribes as necessary for the administration of this chapter.

8 3. If a holder of property presumed abandoned is a successor to
9 another person who previously held the property for the apparent
10 owner or the holder has changed its name while holding the
11 property, the holder shall file with the report its former names, if
12 any, and the known names and addresses of all previous holders of
13 the property.

14 4. The report must be filed before November 1 of each year
15 and cover the 12 months next preceding July 1 of that year, but a
16 report with respect to an insurance company must be filed before
17 May 1 of each year for the calendar year next preceding.

18 5. ~~The~~ *Except as otherwise provided in section 4 of this act,*
19 *the* holder of property presumed abandoned shall send written notice
20 to the apparent owner, not more than 120 days or less than 60 days
21 before filing the report, stating that the holder is in possession of
22 property subject to this chapter, if:

23 (a) The holder has in its records an address for the apparent
24 owner which the holder's records do not disclose to be inaccurate;

25 (b) The claim of the apparent owner is not barred by a statute of
26 limitations; and

27 (c) The value of the property is \$50 or more.

28 6. Before the date for filing the report, the holder of property
29 presumed abandoned may request the Administrator to extend the
30 time for filing the report. The Administrator may grant the extension
31 for good cause. The holder, upon receipt of the extension, may make
32 an interim payment on the amount the holder estimates will
33 ultimately be due, which terminates the accrual of additional interest
34 on the amount paid.

35 7. The holder of property presumed abandoned shall file with
36 the report an affidavit stating that the holder has complied with
37 subsection 5.

38 8. The Administrator may require the report to be filed
39 electronically in the manner determined by the Administrator.

40 **Sec. 7.** 1. The provisions of this act apply to any warrant for
41 the payment to a state officer or state employee of wages, salary or
42 other compensation that has been issued by an agency of State
43 Government other than the State Controller, including, without
44 limitation, the Division of Human Resource Management of the



1 Department of Administration, that has become void pursuant to
2 section 2 of this act before, on or after October 1, 2017.

3 2. As used in this section:

4 (a) "Other compensation" includes, without limitation,
5 accumulated annual leave as set forth in NRS 284.350 and unused
6 sick leave as set forth in NRS 284.355.

7 (b) "State employee" has the meaning ascribed to it in
8 NRS 227.205.

9 (c) "State officer" has the meaning ascribed to it in
10 NRS 227.205.

11 **Sec. 8.** This act becomes effective:

12 1. Upon passage and approval for the purpose of adopting
13 regulations and performing any other preparatory administrative
14 tasks necessary to carry out the provisions of this act; and

15 2. On October 1, 2017, for all other purposes.

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