



UNCLAIMED PROPERTY ALERT

Nevada Revises its Unclaimed Property Act - NV S 44

On June 7, 2019 Nevada passed SB 44 into law. The bill revises Nevada's Uniform Unclaimed Property Act to reflect specific changes adopted by the 2016 Revised Unclaimed Property Act (RUUPA). The act becomes effective on July 1, 2019.

The list below includes highlights of the bill but is not all inclusive.

Definitions added or modified:

- Payroll card is defined as a record that evidences a payroll card account.
- Stored-value card is defined as a record evidencing a promise made for consideration by the seller or issuer that goods, services or money will be provided to the owner of record to the value or amount shown in the record.
- Holder definition is updated to mean a person or business obligated, or assumed to be obligated, to hold for the account of, or deliver or pay to, the owner property that is subject to this chapter.
- Money order definition is updated to mean order for payment of a specified amount of money. The term includes an express money order and a personal money order, on which the remitter is the purchaser.
- Property definition is updated to mean tangible property described in NRS 120A.510 or a fixed and certain interest in intangible property that is held, issued or owed in the course of a holder's business or by a government, governmental subdivision, agency or instrumentality. See the statute for what the term explicitly includes and excludes.

Presumption of Abandonment:

- Any property in an individual retirement account, defined benefit plan or other account or plan that is qualified for tax deferral under the income tax laws of the United States, 3 years after the later of the second RPO (if sent within 30 days from the first RPO) or the date the owner becomes 70.5 for living owners. The dormancy period for deceased IRA accounts is 2 years after the date the holder receives, in the ordinary course of business, confirmation of the death of the apparent owner.
- Nevada did not adopt the provision of RUUPA that requires holders to attempt to confirm death if the holder received an indication of death of the owner during the normal course of business. The state also rejected the RUUPA provision that requires the holder to preform additional electronic outreach when the holder does not send communications to the owner by first-class U.S. mail.
- Nevada did add a provision that is not included in RUUPA for an account of funds established to meet the costs of burial. This property type is presumed abandoned 3 years after the earlier of the date of death of the beneficiary or if the holder does not know whether the beneficiary is deceased, the date the beneficiary has attained, or would have attained if living, the age of 105 years.

Reporting/Due Diligence:

- Nevada adds a new provision that stipulates that a holder may contract with a third party to make their unclaimed property report and that the holder remains responsible to the administrator for the complete, accurate, and timely reporting and for paying or delivering the property to the Administrator described in the report. The holder is also responsible for any penalties, interest, and fees due whether or not a holder contracts with a third party.
- If a holder is required to send a due diligence notice and the owner has consented to receive electronic mail from the holder, the holder shall send the notice by first-class U.S. mail to the owner's last known address and by electronic mail, unless the holder believes the electronic mail address is invalid.
- The holder shall electronically file the report and make payment of the total amount due. The Administrator may waive the requirement to file the report and make payment electronically for good cause shown by the holder; however the holder must request the waiver on or before the deadline established by the Administrator.

Penalties:

- Holders who fail to make payments required by the statute must be assessed a fee for each payment an amount equal to the greater of \$50 or 2% of the amount of the payment. This is in addition to the penalties already in place.

What does this mean to you?

Holders need to look closely at the new provisions of the Nevada Uniform Unclaimed Property Act to determine which provisions will have an impact on their business and ensure that all necessary system updates are made. The effective date of the new law is July 1, 2019 therefore the first report filed under the new provisions will be the fall 2020 report allowing

holders just over one year to update and test systems.

The full text of the bill can be found [here](#).

This article is intended for informational purposes and is not to be considered legal advice. For additional questions concerning this alert, contact Dana Terry at dterry@georgeson.com or 201-539-1998.

Georgeson actively tracks legislative changes and periodically reaches out to states for updates. Review previous Unclaimed Property Alerts:

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