

IN THE SENATE

SENATE BILL NO. 1132

BY STATE AFFAIRS COMMITTEE

AN ACT

1 RELATING TO UNCLAIMED PROPERTY; AMENDING SECTION 14-542, IDAHO CODE, TO PRO-
2 VIDE FOR BROADBAND SERVICE, TO PROVIDE A CERTAIN EXEMPTION FOR A NON-
3 PROFIT CORPORATION, AND TO MAKE TECHNICAL CORRECTIONS.
4

5 Be It Enacted by the Legislature of the State of Idaho:

6 SECTION 1. That Section 14-542, Idaho Code, be, and the same is hereby
7 amended to read as follows:

8 14-542. EXEMPTION. (1) The following shall be eligible for a certifi-
9 cate of exemption from the administrator. Entities holding a certificate of
10 exemption shall not be subject to the provisions of this chapter, except as
11 set forth in this section:

12 (a) Idaho counties; and

13 (b) Solely for the purpose of unclaimed capital credits, nonprofit cor-
14 porations engaged in providing telecommunications or broadband service
15 or delivery of electric power. For the purposes of this section, a cap-
16 ital credit is an amount paid by a member for telecommunication, broad-
17 band, or electric service in excess of the costs and expenses incurred
18 by a nonprofit corporation in furnishing the service that is credited
19 to the member's capital account by the nonprofit corporation and dis-
20 tributed to the member.

21 (2) A certificate of exemption shall be provided to an eligible entity
22 on the following basis:

23 (a) The county commissioners or board of directors, as applicable, file
24 an election in writing with the administrator;

25 (b) The entity establishes a revolving fund to pay claimants, and re-
26 tains in said fund, an amount equal to twenty-five percent (25%) of the
27 accumulated unclaimed property or twenty thousand dollars (\$20,000),
28 whichever is less. Excess money in the revolving fund may be trans-
29 ferred to any fund of the entity; provided however, that a transfer of
30 funds shall not alter or extinguish an owner's right to claim the prop-
31 erty; and

32 (c) The entity provides the administrator with the information re-
33 quired in the reports of abandoned property, to enable the administra-
34 tor to maintain a complete central registry of all unclaimed property in
35 the state.

36 (3) In the event of revocation of the election, or the administrator
37 determines that the entity has not complied with the requirements or exemp-
38 tion, the exemption shall terminate, the entity shall transfer all unclaimed
39 property and unclaimed property records to the administrator and the entity
40 shall be subject to the provisions of this chapter.

41 (4) In the alternative to subsections (1) through (3) of this section,
42 a nonprofit corporation identified in subsection (1) (b) of this section, by

1 filing a notice with the administrator, may elect to be exempt from the pro-
2 visions of this chapter that otherwise require it to report capital credits
3 unclaimed by members. The bylaws or policies adopted by the members or the
4 board of the nonprofit corporation shall specify the procedures to be used
5 to determine when capital credits shall be determined to be unclaimed and
6 the procedures that will be used to attempt to locate and return such un-
7 claimed credits to members, that may, at the nonprofit corporation's elec-
8 tion, include publication by the administrator pursuant to section 14-518,
9 Idaho Code. If the owner of the unclaimed capital credit has not been located
10 and the funds have not been returned within two (2) years after they have been
11 determined to be unclaimed, notwithstanding any other provision of law to
12 the contrary, the nonprofit corporation may use the funds for the benefit of
13 the general membership of the corporation or for the communities it serves,
14 as determined by its board of directors.