



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Benigno R. Fitial
Governor

Eloy S. Inos
Lt. Governor

06 FEB 2012

Honorable Eliceo D. Cabrera
Speaker, House of Representatives
Seventeenth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

Honorable Paul A. Manglona
Senate President, The Senate
Seventeenth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

Feb. 07, 2012
10:02 am
Peticea

Dear Mr. Speaker and Mr. President:

This is to inform you that I have signed into law House Bill No. 17-139, HD2, entitled, "To amend 4 CMC § 6106(i) and 4 CMC § 6513 pertaining to dormant and inactive accounts and unclaimed funds; and for other purposes," which was passed by the House of Representatives and the Senate of the Seventeenth Northern Marianas Commonwealth Legislature.

This bill becomes **Public Law No. 17-69**. Copies bearing my signature are forwarded for your reference.

Sincerely,

BENIGNO R. FITIAL

cc: Lt. Governor; Lt. Governor's Legal Counsel; Attorney General's Office; Press Secretary; Secretary, Department of Commerce; Secretary, Department of Finance; Commonwealth's Law Revision Commission, Special Assistant for Administration; Special Assistant for Programs and Legislative Review

RECEIVED 2/7/12
11:10 am
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*Seventeenth Legislature
of the
Commonwealth of the Northern Mariana Islands*

IN THE HOUSE OF REPRESENTATIVES

Third Regular Session

January 10, 2011

Representative Ray N. Yumul, of Saipan, Precinct 3 (*for himself*), in an open and public meeting with an opportunity for the public to comment, introduced the following Bill:

H. B. 17-139

AN ACT

**TO AMEND 4 CMC §6513 PERTAINING TO DORMANT AND
INACTIVE ACCOUNTS AND UNCLAIMED FUND; AND FOR
OTHER PURPOSES.**

The Bill was referred to the House Committee on Commerce and Tourism, and submitted Standing Committee Report 17-91, which was adopted on October 20, 2011.

**THE BILL WAS PASSED BY THE HOUSE OF REPRESENTATIVES ON
FIRST AND FINAL READING, OCTOBER 20, 2011;**
with amendments in the form of H. B. 17-139, HD2, and transmitted to the
THE SENATE.

The Bill was not referred to a Senate Committee.
THE BILL WAS PASSED BY THE SENATE ON FIRST AND FINAL READING, DECEMBER 28, 2011;
without amendments.

H. B. 17-139, HD2 WAS RETURNED TO THE HOUSE OF REPRESENTATIVES ON DECEMBER 29, 2011.

A handwritten signature in black ink, appearing to be "L. Muña", written over a horizontal line.

Linda B. Muña, House Clerk



*Seventeenth Legislature
of the
Commonwealth of the Northern Mariana Islands*

IN THE HOUSE OF REPRESENTATIVES

Seventh Day, Fourth Regular Session

October 20, 2011

H. B. 17-139, HD2

AN ACT

**TO AMEND 4 CMC § 6106(I) AND 4 CMC § 6513 PERTAINING
TO DORMANT AND INACTIVE ACCOUNTS AND
UNCLAIMED FUNDS AND FOR OTHER PURPOSES.**

**Be it enacted by the Seventeenth Northern Marianas
Commonwealth Legislature:**

1 Section 1. Short Title. This Act may be cited as “The Escheat Act of
2 2011”.

3 Section 2. Findings. The legislature finds that Banking institutions
4 servicing the CNMI community have from time to time consumer
5 savings/checking accounts that have gone dormant or unclaimed. Depending on
6 the banking institution, the amount of time of inactivity to have elapsed before a
7 bank can declare an account as dormant/inactive varies from 1 year to 2 years or
8 more. Further, banks have historically charged dormant/inactive fees ranging
9 from \$15 to \$20 per month. These bank charges on dormant accounts can chip
10 away at the savings account and balances quickly and over time may cause the

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1 account to reach a balance of zero. Certain states and territories such as
2 Connecticut and American Samoa have put forward legislation to prevent
3 Banking institution from raiding savings accounts in an effort to protect the
4 account holder from losing their hard earned funds.

5 **Section 3. Amendment.** 4 CMC § 6106(i) is hereby amended to read as
6 follows:

7 “(i) To have access at all reasonable times to such books, records,
8 vouchers, documents, cash, and securities of any bank, and to call upon
9 the manager or any officer designated by the manager of any bank for
10 such information or explanation as the director may reasonably require for
11 the purposes of enabling the Director of Banking to perform all required
12 functions under this division. However, except in respect to dormant
13 accounts, the Director of Banking shall only have access to the account of
14 a depositor of a bank or to any information, matter, or thing relating to the
15 affairs of any customer of a bank pursuant to an order of the
16 Commonwealth Superior Court made on the grounds that there are no
17 other means of obtaining the information required by the Director of
18 Banking to the extent consistent with 4 CMC § 6454 and the full
19 implementation of 4 CMC 6513, the United States Right to Financial
20 Privacy Act of 1978 (12 U.S.C. 3401 et seq.), which was adopted as a
21 statute of the Commonwealth in its entirety except that for purposes of
22 application as a Commonwealth statute government authority as originally

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1 defined in 12 U.S.C. 3401(3) means any agency or department of the
2 Commonwealth or any officer, employee, or agent thereof.”

3 **Section 4. Amendment.** 4 CMC § 6513 Dormant and Inactive Accounts
4 and Unclaimed Funds is hereby amended to read as follows:

5 “(a) If a savings account is dormant/inactive, a bank shall transfer
6 the balance of the account to the Commonwealth Treasurer for the account
7 of the depositor. For the purposes of this section, an account shall be
8 considered inactive if no deposits or withdrawals are made from the
9 account for a period of thirty six (36) months since the last transaction
10 which means a deposit into or withdrawal from the account.

11 (b) If a savings account is inactive, a bank may cease paying
12 interest on the account until advised by the depositor or the depositor’s
13 legal representative that the account is active or the funds from the account
14 is transferred to the Commonwealth Treasury.

15 (c) If a checking account is inactive and the depositor cannot be
16 located, a bank shall transfer the balance of the account to the
17 Commonwealth Treasurer for the account of the depositor.

18 (d) Prior to transferring the balance of any accounts to the
19 Commonwealth Treasurer as provided in subsections (a) and (c) of this
20 section, the banking or financial institution shall notify the depositor in
21 writing that the funds shall be transferred to the Commonwealth Treasurer
22 within 60 days from the date of notification, and the transfer shall not

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1 occur prior to the 60 day period. If the whereabouts and address of the
2 depositor cannot be ascertained, the director shall publish notice in a
3 newspaper of general circulation for 60 days to the effect that the funds
4 shall be transferred to the Treasurer of the Commonwealth and the transfer
5 shall not occur prior to the 60-day period.

6 (e) If a bank holds unidentified deposits or other funds for three
7 years, the owner of which cannot be determined by the bank, a bank shall
8 transfer the balance of the account to the Commonwealth Treasurer for the
9 account of the depositor, in the event the depositor is determined at a later
10 date.

11 (f) If a bank holds exchanges, bank drafts, cashier's checks, or
12 drafts which have not been presented for payment for ten years, a bank
13 shall, if the owner cannot be located, transfer the balance of such account
14 to the Commonwealth Treasurer for the account of the owner in the event
15 the owner is located at a later date.

16 (g) If a bank holds unidentified loan payments for three years, a
17 bank shall transfer the balances of the account to the Commonwealth
18 Treasurer for the account of the payer, in the event such payer is later
19 identified.

20 (h) Before transferring funds to the Commonwealth Treasurer
21 under this section, the transferring bank may deduct all sums or costs due
22 the bank, including cost of publication or other notice required by this

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1 section. Receipt by the Commonwealth Treasurer for the deposits shall be
2 a full discharge to the transferring bank of all liabilities to the depositor or
3 owner of the funds.

4 (i) The Commonwealth Treasurer upon receiving sums of money
5 pursuant to this section shall furnish the transferring bank with a receipt
6 for the sums transferred, and shall deposit the sums in the General Fund.

7 (j) The Commonwealth Treasurer shall maintain accurate records
8 of these sums in accordance with regulations adopted by the Director of
9 Banking. The sums may be claimed at any time by the rightful owner or
10 owners of such sums upon furnishing proof satisfactory to the
11 Commonwealth Treasurer of their right to the funds. Funds deposited with
12 the Commonwealth Treasurer pursuant to this section shall accrue interest.
13 The Commonwealth Treasurer shall not be liable for damages or penalties
14 for any payment to a claimant of funds deposited pursuant to this section.

15 (k) The Director of Banking shall adopt rules and regulations as
16 necessary to implement the provisions of this section.”

17 **Section 3. Reporting.** Banks operating in the CNMI shall prepare a
18 report to the CNMI Treasurer and the Department of Commerce’s Director of
19 Banking a complete listing of all Bank savings and checking accounts that have
20 been classified closed due to inactive/dormant status within the last 10 years. The
21 report shall include all information applicable to identifying the account holder,

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1 the total fees deducted because of inactivity/dormancy and the disposition of the
2 account's balance, if any.

3 **Section 4. Severability.** If any provision of this Act or the application of
4 any such provision to any person or circumstance should be held invalid by a
5 court of competent jurisdiction, the remainder of this Act or the application of its
6 provisions to persons or circumstances other than those to which it is held invalid
7 shall not be affected thereby.

8 **Section 5. Savings Clause.** This Act and any repealer contained herein
9 shall not be construed as affecting any existing right acquired under contract or
10 acquired under statutes repealed or under any rule, regulation or order adopted
11 under the statutes. Repealers contained in this Act shall not affect any proceeding
12 instituted under or pursuant to prior law. The enactment of the Act shall not have
13 the effect of terminating, or in any way modifying, any liability, civil or criminal,
14 which shall already be in existence on the date this Act becomes effective.

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1 **Section 6. Effective Date.** This Act shall take effect upon its approval by
2 the Governor or becoming law without such approval.

Attested to by:



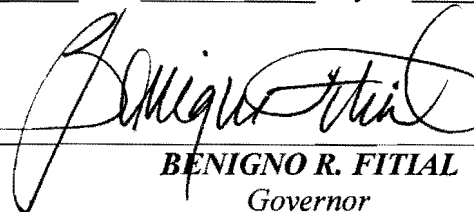
Linda B. Muña, House Clerk

Certified by:



SPEAKER ELICEO "ELI" D. CABRERA
House of Representatives
17th Northern Marianas Commonwealth Legislature

APPROVED this 6th day of FEBRUARY, 2012



BENIGNO R. FITIAL
Governor
Commonwealth of the Northern Mariana Islands