

By: Representative Aguirre

To: Banking and Financial Services

HOUSE BILL NO. 1675

1 AN ACT TO AMEND SECTION 89-12-3, MISSISSIPPI CODE OF 1972, TO
 2 DEFINE THE TERM FARM CREDIT SYSTEM COOPERATIVE ASSOCIATIONS UNDER
 3 THE PROVISIONS OF THE UNIFORM DISPOSITION OF UNCLAIMED PROPERTY
 4 ACT; TO AMEND SECTION 89-12-11, MISSISSIPPI CODE OF 1972, TO
 5 EXEMPT FARM CREDIT SYSTEM COOPERATIVE ASSOCIATIONS FROM THE
 6 REQUIREMENTS TO DISPOSE OF STOCK OR OTHER INTANGIBLE OWNERSHIP
 7 INTERESTS, DIVIDENDS, DISTRIBUTIONS OR PROPERTY PRESUMED TO BE
 8 ABANDONED BY AN OWNER AFTER THE SPECIFIED FIVE-YEAR PERIOD IN THE
 9 MANNER PRESCRIBED BY LAW; TO ALLOW FARM CREDIT SYSTEM COOPERATIVE
 10 ASSOCIATIONS TO RETAIN THE UNCLAIMED FUNDS WHICH SHALL BE USED FOR
 11 THE BENEFIT OF THE GENERAL MEMBERSHIP OF THE ASSOCIATION; AND FOR
 12 RELATED PURPOSES.

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

14 **SECTION 1.** Section 89-12-3, Mississippi Code of 1972, is
 15 amended as follows:

16 89-12-3. As used in this chapter, unless the context
 17 otherwise requires:

18 (a) "Banking organization" means any national or state
 19 bank, trust company, savings bank, land bank, private banker, or
 20 any similar organization which is engaged in business in this
 21 state.

22 (b) "Business association" means any corporation,
 23 joint-stock company, business trust, partnership, or any



24 association for business purposes of two (2) or more individuals,
25 whether organized for profit or nonprofit, including, but not
26 limited to, a banking organization, financial organization, life
27 insurance corporation and utility.

28 (c) "Financial organization" means any federal or state
29 savings and loan association, building and loan association,
30 credit union, cooperative bank or investment company, farm credit
31 system cooperative, or any similar organization which is engaged
32 in business in this state.

33 (d) "Holder" means any person in possession of property
34 subject to the provisions of this chapter belonging to another, or
35 who is trustee in case of a trust, or is indebted to another on an
36 obligation subject to the provisions of this chapter.

37 (e) "Insurance corporation" means any association or
38 corporation transacting in this state the business of insurance
39 involving in any manner a person or property; however, this term
40 does not include self-insured workers' compensation groups or
41 associations comprised of members who have joint and several
42 liability for the workers' compensation obligation of the other
43 members.

44 (f) "Intangible personal property" includes, but is not
45 limited to:

46 (i) Monies, checks, drafts, deposits, interest,
47 dividends, and income;



48 (ii) Credit balances, customer overpayments, gift
49 certificates, security deposits, refunds, credit memos, unpaid
50 wages, unused airline tickets, and unidentified remittances;
51 except future and prior dividends made by the workers'

52 compensation groups or associations described in paragraph (e);

53 (iii) Monies deposited to redeem stocks, bonds,
54 coupons, and other securities, or to make distributions;

55 (iv) Amounts due and payable under the terms of
56 insurance policies;

57 (v) Amounts distributable from a trust or
58 custodial fund established under a plan to provide health,
59 welfare, pension, vacation, severance, retirement, death, stock
60 purchase, profit sharing, employee savings, supplemental
61 unemployment insurance, or similar benefits;

62 (vi) Shares of corporate stock and other
63 intangible ownership interests in business associations; and

64 (vii) Bonds, notes and other debt obligations.

65 (g) "Owner" means a depositor in case of a deposit, a
66 beneficiary in case of a trust, a creditor, claimant or payee in
67 case of other choses in action, or any person having a legal or
68 equitable interest in property subject to the provisions of this
69 chapter, or his legal representative.

70 (h) "Apparent owner" means the person who appears from
71 the records of the holder to be entitled to property held by the
72 holder.



73 (i) "Person" means any individual, business
74 association, government or political subdivision or agency,
75 corporation, public authority, estate, trust, two (2) or more
76 persons having a joint or common interest, or any other legal or
77 commercial entity whether such person is acting in his own right
78 or in a representative capacity.

79 (j) "Treasurer" means the State Treasurer of the State
80 of Mississippi.

81 (k) "Utility" means any person who owns or operates in
82 this state for public use, any plant, equipment, property,
83 franchise, or license for the transmission of communications or
84 the production, storage, transmission, sale, delivery, or
85 furnishing of electricity, water, steam or gas.

86 (l) "Farm credit system cooperative association" means
87 a farmer-owned cooperative system established under the authority
88 of the Farm Credit Act of 1971, as amended, for the purpose of
89 making credit available to farmers and ranchers and their
90 cooperatives, for rural residences, and to associations and other
91 entities upon which farming operations are dependent, to provide
92 for an adequate and flexible flow of money into rural areas, and
93 to modernize and consolidate existing farm credit law to meet
94 current and future rural credit needs, and for other purposes, and
95 which are chartered by and subject to the regulatory control of
96 the Farm Credit Administration. For purposes of this chapter, the
97 term includes:



- 98 (i) Farm credit banks;
99 (ii) The bank for cooperatives;
100 (iii) Agricultural credit banks;
101 (iv) Federal land bank associations;
102 (v) Federal land credit associations;
103 (vi) Production credit associations;
104 (vii) Agricultural credit associations;
105 (viii) The federal Farm Credit Banks Funding
106 Corporation;
107 (ix) The Federal Agricultural Mortgage
108 Corporation;
109 (x) Service corporations established pursuant to
110 Section 12 USCS Section 2211; and
111 (xi) Such other institutions as may be made a part
112 of the Farm Credit System.

113 **SECTION 2.** Section 89-12-11, Mississippi Code of 1972, is
114 amended as follows:

115 89-12-11. (1) Subject to the provisions of Section
116 89-12-17, and except as otherwise provided in subsections (2) and
117 (5) of this section, stock or other intangible ownership interest
118 in a business association which is held by the association, the
119 existence of which is evidenced by records available to the
120 association, is presumed abandoned if a dividend, distribution or
121 other sum payable as a result of the interest has remained



122 unclaimed by the owner for five (5) years and during that time the
123 owner has not:

124 (a) Communicated in writing with the association
125 regarding the interest or a dividend, distribution or other sum
126 payable as a result of the interest; or

127 (b) Otherwise communicated with the association
128 regarding the interest or a dividend, distribution or other sum
129 payable as a result of the interest, as evidenced by a memorandum
130 or other record on file with the association prepared by an
131 employee of the association.

132 (2) At the expiration of a five-year period following the
133 failure of the owner to claim a dividend, distribution or other
134 sum payable to the owner as a result of the interest, the interest
135 is not presumed abandoned unless there have been at least five (5)
136 dividends, distributions or other sums paid during the period,
137 none of which has been claimed by the owner. If five (5)
138 dividends, distributions or other sums are paid during the
139 five-year period, the time period leading to a presumption of
140 abandonment commences on the date that payment of the first
141 unclaimed dividend, distribution or other sum became due and
142 payable. If five (5) dividends, distributions or other sums are
143 not paid during the presumptive period, the period continues to
144 run until there have been five (5) dividends, distributions or
145 other sums that have not been claimed by the owner.



146 (3) The running of the five-year period of abandonment
147 ceases immediately upon the occurrence of a communication as
148 described in subsection (1) of this section. If any future
149 dividend, distribution or other sum payable to the owner as a
150 result of the interest is subsequently not claimed by the owner, a
151 new period of abandonment commences and relates back to the time a
152 subsequent dividend, distribution or other sum became due and
153 payable.

154 (4) At the time an interest is presumed abandoned under this
155 section, any dividend, distribution or other sum then held for or
156 owing to the owner as a result of the interest, and not previously
157 abandoned, is presumed abandoned.

158 (5) This section does not apply to any stock or other
159 intangible ownership of interest enrolled in a plan that provides
160 for the automatic reinvestment of dividends, distributions or
161 other sums payable as a result of the interest unless the records
162 available to the State Treasurer show, with respect to any
163 intangible ownership interest not enrolled in the reinvestment
164 plan, that the owner has not within five (5) years communicated in
165 any manner described in subsection (1) of this section.

166 (6) Notwithstanding anything in this section or any other
167 section in this chapter to the contrary, the property presumed
168 abandoned under this chapter shall not include capital credits or
169 patronage refunds offered for payment by nonprofit cooperative
170 electric power associations, nonprofit cooperative water and sewer



171 associations, * * * nonprofit agricultural cooperative marketing
172 associations * * *, or farm credit system cooperative
173 associations, as defined in Section 89-12-3. Such unclaimed funds
174 shall be used for the benefit of the general membership of such
175 associations.

176 **SECTION 3.** This act shall take effect and be in force from
177 and after July 1, 2024.

