

TITLE 4: ECONOMIC RESOURCES
DIVISION 6: BANKING AND FINANCIAL INSTITUTIONS

§ 6513. Dormant and Inactive Accounts and Unclaimed Funds.

(a) A bank account shall be considered inactive as follows:

(1) A savings account shall be considered inactive if no deposits or withdrawals are made to/from the account for a period of twenty-four months since the last transaction on the account. A transaction means any deposit or withdrawal on the account.

(2) A checking account shall be considered inactive if no deposits, issuance of checks, or withdrawals are made to/from the account for a period of six months since the last transaction on the account. A transaction means any deposit, checks issued, or withdrawal on the account.

(3) A passbook savings account shall be considered inactive if no deposits or withdrawals are made to/from the account for a period of twenty-four months since the last transaction on the account. A transaction means any deposit or withdrawal on the account.

(b) If an account is inactive, and the depositor cannot be located, a bank shall transfer the balance of the account to the Commonwealth Treasurer for the account of the depositor. The transfer shall be in accordance with the Commonwealth Department of Commerce regulations.

(c) Prior to transferring the balance of any accounts to the Commonwealth Treasurer as provided in subsection (b) of this section, the financial institution shall notify the depositor in writing that the funds shall be transferred to the Commonwealth Treasurer in accordance with regulations adopted by the Department of Commerce.

(d) If a bank holds deposits or other funds, including Certificates of Deposit, Money Market Certificates, and other types of depository certificates which have matured for twelve months, the owner of which cannot be located, the bank shall transfer the balance of the account to the Commonwealth Treasurer for the account of the depositor, in accordance with regulations adopted by the Department of Commerce.

(e) If a bank holds exchanges, bank drafts, cashier's checks, or drafts which have not been presented for payment for eighteen months, a bank shall, if the owner cannot be located, transfer the balance of such account to the Commonwealth Treasurer for the account of the owner, in accordance with regulations adopted by the Department of Commerce.

(f) If the bank holds unidentified loan payments for six months, a bank shall transfer the balance of the account to the Commonwealth Treasurer for the account of the payer, in the event such payer is later identified.

(g) Before transferring funds to the Commonwealth Treasurer under this section, the transferring bank may deduct all sums or cost due to the bank, including cost of publication or other notice required by this section or regulations adopted by the Department of Commerce. The transferring bank shall assume responsibility for any error or fraudulent action caused by the bank prior to the transfer.

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(h) The Commonwealth Treasurer shall maintain accurate records of these sums in accordance with regulations adopted by the Department of Commerce. The sums may be claimed at any time by the rightful owner or owners of such sums upon furnishing proof satisfactory to the Commonwealth Treasurer of their right to the funds. The depositor shall not accrue interest for funds deposited with the Commonwealth Treasurer pursuant to this section. Nonetheless the Commonwealth Treasurer may deposit such funds into an interest bearing account. Any interest earned on such deposits shall be transferred to the general fund. The Commonwealth Treasurer shall not be liable for damages or penalties for any payment to a claimant of funds deposited pursuant to this section.

(i) The Department of Commerce shall adopt rules and regulations as necessary to implement the provisions of this section.

Source: PL 3-104, § 612; amended by PL 17-69 § 4 (Feb. 6, 2012), modified; repealed and re-enacted by PL 18-69 § 4 (Dec. 4, 2014), modified.

Commission Comment: The Commission struck the figures “24” from subsection (a)(1), “6” from subsection (a)(2), “24” from subsection (a)(3), “12” from subsection (d), “18” from subsection (e), and “6” from subsection (f) pursuant to [1 CMC § 3806\(e\)](#). The Commission inserted commas after the words “checks” and “issued” in subsection (a)(2) and “certificates” in subsection (d) pursuant to [1 CMC § 3806\(g\)](#). The Commission corrected the capitalization of the word “inactive” in subsection (b) pursuant to [1 CMC § 3806\(f\)](#). The Commission corrected the phrase “in the subsection (b)” in subsection (c) to “in subsection (b)” pursuant to [1 CMC § 3806\(g\)](#). The Commission corrected the spelling of the words “deposit” in subsection (d) and “payments” and “balance” in subsection (f) pursuant to [1 CMC § 3806\(g\)](#).

PL 17-69 (effective Feb. 6, 2012) contained the following provision requiring banks to prepare a report:

Section 3[sic]. Reporting. Banks operating in the CNMI shall prepare a report to the CNMI Treasurer and the Department of Commerce’s Director of Banking a complete listing of all Bank savings and checking accounts that have been classified closed due to inactive/dormant status within the last 10 years. The report shall include all information applicable to identifying the account holder, the total fees deducted because of inactivity/dormancy and the disposition of the account’s balance, if any.

PL 18-69 (effective Dec. 4, 2014) repealed the reporting provision of PL 17-69.

PL 18-69 (effective Dec. 4, 2014) contained, in addition to savings and severability clauses, the following Short Title, Findings, and Repealer sections:

Section 1. Short Title. This Act may be cited as “The Escheat Act of 2013.”

Section 2. Findings. The Legislature finds that banking institutions servicing the CNMI community have from time to time encountered consumer savings/checking accounts that have gone dormant or unclaimed. Depending on

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the banking institution, the amount of time of inactivity to have elapsed before a bank can declare an account as dormant/inactive varies from 1 year to 2 years or more. Further, banks have historically charged dormant/inactive fees ranging from \$15 to \$20 per month. These bank charges on dormant accounts can chip away at the savings account and balances quickly and over term may cause the account to reach a balance of zero.

Certain states and territories such as Connecticut and American Samoa have put forward legislation to prevent banking institution from raiding savings accounts in an effort to protect the account holder from losing their hard earned funds.

Lastly, this legislation shall repeal and re-enactment of Public Law 17-69 was enacted on February 6, 2012. Thus, the amendments effectuated by Public Law 17-69 to the CNMI Code, specifically the amendments to Section 6106(i) are hereby repealed and re-enacted as set forth herein. The section 3 language of Public Law 17-69 was not codified at the time of this amendment. This legislation amends and repeals section 3 of Public Law 17-69 and establishes it as a new subsection, 4 CMC 6514(b).

Section 8. Repealer. Upon enactment of this provision, Public Law 17-69 which was enacted on February 6, 2012 shall be repealed in its entirety and shall be replaced with the instant legislation upon effective date and enactment. For the sake of clarity, section 3 of Public Law 17-69 should now be replaced with the language set forth herein which should be codified as 4 CMC section 6514(b).