2020 Regular Session

HOUSE BILL NO. 427

BY REPRESENTATIVE LYONS

## BANKS/BANKING: Provides relative to safety deposit boxes that are deemed abandoned

1	AN ACT
2	To amend and reenact R.S. 6:327, relative to the abandonment of a safety deposit box; to
3	provide for designated third parties; to provide for notice; to provide for appraisals;
4	to provide for non-cash items; to provide for publication; to make technical changes;
5	and to provide for related matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. R.S. 6:327 is hereby amended and reenacted to read as follows:
8	§327. Abandonment of safety deposit box
9	A. When a safety deposit box is leased from any bank, the bank shall provide
10	the lessee with the option of providing a name and mailing address for up to two
11	third-party designees, to be contacted if the safety deposit box is deemed abandoned.
12	$\overline{A}$ . B. A safety deposit box leased from any bank shall be deemed abandoned
13	and the bank may remove the contents of such safety deposit box, if the rental
14	therefor remains unpaid, all as provided under Subsection $\frac{B}{C}$ of this Section, or
15	pursuant to the terms of the safety deposit box contract, or as otherwise permitted by
16	law. Only the safety deposit box itself, and not the contents, may be deemed
17	abandoned as provided herein in this Section.
18	B. C.(1) If the safety deposit box rental is delinquent for six months, the
19	bank after sixty days' notice by mail addressed to the lessee at his address as shown
20	on the safety deposit box contract may, if the rent is not paid within the time

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	specified in said the notice, open the box in the presence of two employees of the
2	bank and a notary public who shall make an inventory of the contents of the box and
3	place such the contents in a sealed envelope or other container in the name of the
4	lessee. The bank shall then send notice to the administrator of the Uniform
5	Unclaimed Property Act of 1997 for publication as provided by R.S. 9:161 that the
6	safety deposit box has been abandoned and that the bank is holding the listed
7	contents thereof. that the safety deposit box has been abandoned and that the bank
8	is holding the listed contents thereof, to each of the following:
9	(a) Any third-party designee, provided by the lessee, pursuant to Subsection
10	A of this Section.
11	(b) The administrator of the Uniform Unclaimed Property Act of 1997 for
12	publication as provided by R.S. 9:161.
13	(2) Such The notice shall include the lessee's name and last known address.
14	(3) The notice does not confer any right to the contents of the box upon the
15	recipient.
16	C. D.(1) After a bank has entered an abandoned safety deposit box and
17	removed the contents thereof, it shall then hold such contents in the name of the
18	lessee subject to a lien and privilege for the unpaid rent, the costs of opening the box
19	and making the inventory of and storing its contents, and any other costs, expenses
20	or other amounts as provided in the lease or by law. If such amounts are not paid in
21	full within one year from the date the safety deposit box became abandoned, the
22	bank may sell all or any part of the contents by public, private, or judicial sale in
23	accordance with Louisiana law and the terms of the safety deposit box contract.
24	(2) Prior to selling all or any part of the contents, a bank shall obtain an
25	appraisal of non-cash items to be sold. A bank shall not sell any non-cash item for
26	less than the appraised value of the item. The appraisal shall occur within one year
27	of the item being sold.

1	(3) A bank may use the proceeds from the sale of non-cash items only to $(3)$
2	cover the reasonable costs incurred from appraising and selling the items. A bank
3	shall not profit from the sale of the non-cash items.
4	$\overline{\mathbf{D}}$ . E. After a bank has entered an abandoned safety deposit box and removed
5	the contents thereof, the bank may immediately re-lease the abandoned safety deposit
6	box without accounting to the lessee, and need not apply any subsequent rental
7	payments received therefor to the payment of any amounts owed by the former
8	lessee.
9	F. The administrator of the Uniform Unclaimed Property Act of 1997 shall
10	treat all non-cash items, recovered from an abandoned safety deposit box, as property
11	for purposes of the publication requirements provided for in R.S. 9:161, and shall
12	include these items in any databases or registries related to unclaimed property.

## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Abstract: Requires banks to allow for notification to designated third parties upon abandonment of a safety deposit box, prohibits banks from selling the contents of the abandoned box for less than appraisal value or profiting from the sale, and requires non-cash items to be published for purposes of unclaimed property.

<u>Proposed law</u> requires a bank to provide the lessee of a safety deposit box to provide the name and address of up to two third-party designees, to be contacted if the safety deposit box is deemed abandoned.

<u>Proposed law</u> requires a bank to send notice to the third parties, designated in accordance with <u>proposed law</u>, stating that the safety deposit box has been abandoned and the bank is holding the contents of the box.

Proposed law provides that the notice confers no right to the contents of the abandoned box.

<u>Proposed law</u> requires a bank to obtain an appraisal prior to selling any non-cash items and prohibits the bank from selling the non-cash items for less than the appraised value.

Proposed law provides that the appraisal shall occur within one year of the item being sold.

<u>Proposed law</u> prohibits a bank from profiting from the selling of the non-cash items.

<u>Proposed law</u> requires the administrator of <u>present law</u>, the Uniform Unclaimed Property Act, to include non-cash items recovered from safety deposit boxes to be treated as property

for purposes of publication, as required under <u>present law</u> and to include these items in any databases or registries.

(Amends R.S. 6:327)

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