

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

Regular Session, 2026

H. B. 24- 100

A BILL FOR AN ACT

To amend the statutory language governing dormant and unclaimed accounts to clarify the regulatory provisions regarding dormancy periods, the perpetual right of owners to claim funds, and the administration of escheated funds.

**BE IT ENACTED BY THE 24TH NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:**

1 **Section 1. Findings and Purpose.** Dormancy in retail banking accounts is
2 a predictable condition that occurs when an owner has not initiated activity for a
3 defined period, and the Legislature finds that the statutory language governing
4 dormant and unclaimed accounts must be clear so that escheatment occurs only
5 after the expiration of the applicable dormancy period established by law and
6 implementing regulation, and only under conditions that preserve the owner's
7 property interest.

8 Ownership of funds does not transfer merely because the Commonwealth
9 assumes custody after dormancy; instead, the Commonwealth functions as a
10 custodial holder of unclaimed funds for the protection of owners and heirs, and the
11 Legislature finds that the owner's right to reclaim principal is perpetual and without

1 expiration, even after lawful transfer to the Commonwealth Treasurer.

2 Risk arises when statutory or regulatory ambiguity permits premature
3 transfer, inconsistent handling, or commingling that obscures accountability and
4 delays rightful claims, and the Legislature finds that clear direction is required to
5 confirm that escheated funds are administered as custodial property, that claims
6 processing is transparent, and that the financial institution's liability properly
7 terminates only upon lawful transfer after the expiration of the applicable dormancy
8 period.

9 Management consistent with custodial principles requires segregation and
10 dedicated administration, and the Legislature therefore declares that all sums
11 transferred under this section, together with any interest earned thereon, shall be
12 deposited into and maintained within a dedicated Unclaimed Funds Account
13 administered by the Department of Commerce, Banking Division, to be used
14 exclusively for payment to rightful owners and for the administration, enforcement,
15 personnel, systems, audits, and operational costs of the unclaimed funds program,
16 and not to be deposited into or commingled with the General Fund.

17 **Section 2. Amendment.** Title 4, Economic Resources, Division 6, Banking
18 and Financial Institutions, Chapter 5, Retail Banking Practices, Article 1, Accounts,
19 Section 6513, Dormant and Inactive Accounts and Unclaimed Funds, Subsection
20 (b) of the Commonwealth Code is hereby amended to read as follows:

21 “(b) If an account is inactive as defined in this section and the depositor

1 cannot be located after the expiration of the applicable dormancy period established
2 by this section and implementing regulations, the bank shall transfer the balance of
3 the account to the Commonwealth Treasurer for the account of the depositor. Such
4 transfer shall be made in accordance with regulations adopted by the Department
5 of Commerce.”

6 **Section 3. Amendment.** Title 4, Economic Resources, Division 6, Banking
7 and Financial Institutions, Chapter 5, Retail Banking Practices, Article 1, Accounts,
8 Section 6513, Dormant and Inactive Accounts and Unclaimed Funds, Subsection
9 (h) of the Commonwealth Code is hereby amended to read as follows:

10 “(h) Unclaimed Funds Account; Owner Claims. The Commonwealth
11 Treasurer shall maintain accurate records of all sums transferred under this section
12 in accordance with regulations adopted by the Department of Commerce. Upon
13 receipt by the Commonwealth Treasurer, all such sums and any interest earned
14 thereon shall be deposited into and maintained within a dedicated Unclaimed Funds
15 Account established within and administered by the Department of Commerce,
16 Banking Division.

17 The Unclaimed Funds Account shall be used exclusively for payment to
18 rightful owners and for the administration, enforcement, personnel, systems, audits,
19 and operational costs of the unclaimed funds program. No funds deposited into the
20 Unclaimed Funds Account shall be deposited into or commingled with the General

1 Fund.

2 Funds transferred to the Commonwealth Treasurer pursuant to this section
3 shall be held by the Commonwealth in custodial capacity and not as the beneficial
4 owner. The rightful owner or owners of such funds may file a claim at any time
5 upon furnishing proof satisfactory to the Commonwealth Treasurer of their right to
6 the funds. The right of a rightful owner to claim funds transferred under this section
7 shall be perpetual and without expiration.

8 For budgeting and accounting purposes only, funds remaining unclaimed
9 may be utilized for authorized program expenditures within the Unclaimed Funds
10 Account; however, such administrative classification shall not extinguish or impair
11 the perpetual right of a rightful owner to recover the funds upon proper proof.

12 The Department of Commerce, Banking Division shall submit an annual
13 written report to the Legislature and the Governor no later than ninety days after
14 the close of each fiscal year detailing the balance of the Unclaimed Funds Account,
15 total sums received during the fiscal year, total claims paid, administrative
16 expenditures, interest earned, and the number of claims processed and pending.
17 Such report shall be a public record.

18 No rightful owner shall accrue interest on funds held by the Commonwealth
19 Treasurer pursuant to this section. The Commonwealth Treasurer shall not be liable
20 for damages or penalties for any payment made in good faith to a claimant of funds

1 deposited pursuant to this section.”

2 **Section 4. Amendment.** Title 4, Economic Resources, Division 6, Banking
3 and Financial Institutions, Chapter 5, Retail Banking Practices, Article 1, Accounts,
4 Section 6513, Dormant and Inactive Accounts and Unclaimed Funds, Subsection
5 (i) of the Commonwealth Code is hereby amended to read as follows:

6 “(i) Effect of Escheatment; Termination of Financial Institution Liability.
7 Upon the transfer of funds to the Commonwealth Treasurer following the expiration
8 of the applicable dormancy period established by this section and implementing
9 regulations, the financial institution’s obligation and liability with respect to such
10 account shall terminate. Thereafter, any claim by a rightful owner shall lie solely
11 against the Commonwealth through the Unclaimed Funds Account administered by
12 the Department of Commerce, Banking Division.”

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

18 **Section 6. Savings Clause.** This Act and any repealer contained herein
19 shall not be construed as affecting any existing right acquired under contract or
20 acquired under statutes repealed or under any rule, regulation, or order adopted
21 under the statutes. Repealers contained in this Act shall not affect any proceeding

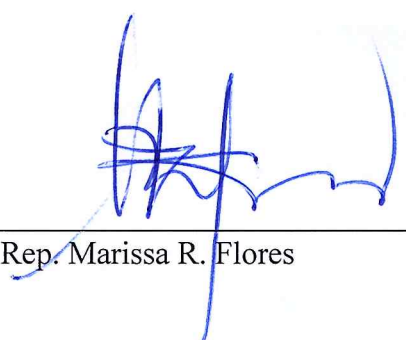
1 instituted under or pursuant to prior law. The enactment of the Act shall not have
2 the effect of terminating, or in any way modifying, any liability, civil or criminal,
3 which shall already be in existence on the date this Act becomes effective.

4 **Section 7. Effective Date.** This Act shall take effect upon its approval by
5 the Governor, or it becoming law without such approval.

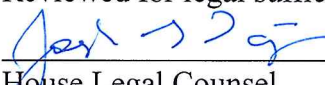
Prefiled: 2/20/2024

Date: _____

Introduced by: _____


Rep. Marissa R. Flores

Reviewed for legal sufficiency by:


House Legal Counsel

Date: 2-20-24