

2020 Regular Session

SENATE BILL NO. 268

BY SENATOR JOHNS

BANKS/BANKING. Provides relative to abandonment of safety deposit boxes. (8/1/20)

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AN ACT

To amend and reenact R.S. 6:327(C) and to enact R.S. 6:327.1, 771, and 1142, relative to banks; to provide for the abandonment of safety deposit boxes; to allow for the disposal of unsalable contents; to provide procedures for disposing of or selling of abandoned contents; to provide relative to the State Unclaimed Property Program; to provide relative to savings and loan associations and savings banks; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 6:327(C) is hereby amended and reenacted and R.S. 6:327.1, 771, and 1142 are hereby enacted to read as follows:

§327. Abandonment of safety deposit box

\* \* \*

C. After a bank has entered an abandoned safety deposit box and removed the contents thereof, it shall then hold such contents in the name of the lessee subject to a lien and privilege for the unpaid rent, the costs of opening the box and making the inventory of and storing its contents, and any other costs, expenses or other amounts as provided in the lease or by law. If such amounts are not paid in full within one

1 year from the date the safety deposit box became abandoned, the bank may sell all  
2 or any part of the contents by public, private, or judicial sale in accordance with  
3 Louisiana law and the terms of the safety deposit box contract-, and the bank may  
4 also dispose of any unsalable contents in accordance with R.S. 6:327.1. After  
5 satisfaction of the bank's lien, any remaining proceeds shall be subject to the  
6 Uniform Unclaimed Property Act of 1997, R.S. 9:151, et seq. The bank may  
7 treat the remaining proceeds as presumed abandoned and turn them over to the  
8 administrator of the State Unclaimed Property Program without having to wait  
9 for the passage of time delays set forth in R.S. 9:154.

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11 §327.1. Disposition of abandoned safety deposit box contents

12 A. If a bank has entered an abandoned safety deposit box in accordance  
13 with the requirements of R.S. 6:327, and the bank decides to proceed with  
14 disposing or selling the abandoned contents, then the provisions contained in  
15 this Section shall apply.

16 B. (1) Prior to a public or private sale of contents from an abandoned  
17 box, the following types of property may be classified as unsalable by an  
18 independent appraiser, an auctioneer, a pawn broker, or the bank, and disposed  
19 of in the following manner:

20 (a) Documents, writings, or photographs having little or no commercial  
21 value may be destroyed by the bank.

22 (b) Coins or currency with a face value of twenty dollars or less each that  
23 are valued at no more than twice the face value, shall be treated as proceeds of  
24 a sale and used to satisfy the bank's lien and any excess proceeds remitted to the  
25 Louisiana Unclaimed Property Program.

26 (c) Coins or currency with a face value of greater than twenty dollars  
27 each that are valued at one hundred twenty-five percent or less of face value,  
28 shall be treated as proceeds of sale and used to satisfy the bank's lien and any  
29 excess proceeds remitted to the Louisiana Unclaimed Property Program.

1           (d) Any other tangible item having an estimated sale value of twenty-five  
2           dollars or less may be destroyed by the bank, provided that the aggregate value  
3           of the items from a specific abandoned safety deposit box does not exceed two  
4           hundred fifty dollars.

5           (2) A current version of any recognized numismatist publication may be  
6           used for purposes of valuation of coins and currency.

7           C. Prior to a public or private sale of contents from an abandoned safety  
8           deposit box that has not been classified as unsalable as provided in Subsection  
9           B of this Section, the bank shall obtain an independent valuation of the contents  
10          by an independent appraiser, auctioneer, pawn broker, coin or collectibles  
11          dealer, a jeweler, or by any other person who is regularly engaged in the  
12          business of appraising, buying, or selling like merchandise, or any other  
13          combination thereof. Firearms shall be sold through a federal firearm licensed  
14          dealer, or if sold at public auction, through an auctioneer who possesses a  
15          federal firearm license. Alternatively, firearms may be turned over to law  
16          enforcement.

17          D. Any public or private sale of contents of an abandoned safety deposit  
18          box must be a commercially reasonable sale held at a time and place in the  
19          judgment of the bank that will bring the most favorable prices for the property  
20          involved. For purposes of this Section, "commercially reasonable", includes but  
21          is not limited to a sale that would be commercially reasonable under R.S.  
22          10:9-610, or a sale, or sale methodology, that is approved by the commissioner  
23          of financial institutions. A bank may sell the contents of an abandoned safety  
24          deposit box in a sale conducted exclusively for the bank, or in a sale conducted  
25          jointly for the bank and any number of other financial institutions or other  
26          entities. A bank may use an online auction service as a commercially reasonable  
27          public sale.

28          E. A bank and its directors, officers, employees, agents, and other  
29          representatives who act in accordance with the authority granted in R.S. 6:327



twice the face value shall be treated as proceeds of a sale and used to satisfy the bank's lien and any excess proceeds remitted to the Louisiana Unclaimed Property Program.

- (3) Coins or currency with a face value greater than \$20.00 that are valued at 125% or less of face value shall be treated as proceeds of a sale and used to satisfy the bank's lien and any excess proceeds remitted to the Louisiana Unclaimed Property Program.
- (4) Any other tangible item having an estimated sale value of \$25.00 or less may be destroyed by the bank, provided that the aggregate value of the item from a specific abandoned safety deposit box does not exceed \$250.00.

Proposed law requires the bank to obtain an independent valuation of the contents by an independent appraiser, auctioneer, pawn broker, coin or collectibles dealer, a jeweler, or by any other person who is regularly engaged in the business of appraising, buying, or selling like merchandise, or any other combination thereof prior to a public or private sale of contents not classified as unsalable.

Proposed law requires firearms to be sold through a federal firearm licensed dealer, through an auctioneer who possesses a federal firearm license, or turned over to law enforcement.

Proposed law requires any public or private sale of contents of an abandoned safety deposit box to be a commercially reasonable sale.

Proposed law provides immunity to a bank and its directors, officers, employees, agents, and other representatives who act in accordance with the authority granted in proposed law from all civil and administrative liability.

Proposed law provides that the provisions of proposed law shall be applicable to savings and loan associations chartered under the Louisiana Savings and Loan Association Law in the same manner as they are applicable to state banks.

Proposed law provides that the provisions of R.S. 6:321 through 6:328 relative to safety deposit boxes and safekeeping shall be applicable to savings banks chartered under the provisions of the Louisiana Savings Bank Act of 1990 in the same manner as they are applicable to state banks.

Effective August 1, 2020.

(Amends R.S. 6:327(C); adds R.S. 6:327.1, 771, and 1142)