

mortgages which were held by trusts, which had the affect of putting an unexpected accumulation of real property into those trusts. Under these circumstance, the Court upheld the retroactive application of a statute reallocating distribution within these trusts, even where the administration of the estate had already begun, and the new statute had the effect of taking away a remainderman's right to judicial review of the trustee's computation of income.<sup>332</sup>

The states have significant discretion to regulate abandoned property. For instance, states have several jurisdictional bases to allow for the lawful application of escheat and abandoned property laws to out-of-state corporations. Thus, application of New York's Abandoned Property Law to New York residents' life insurance policies, even when issued by foreign corporations, did not deprive such companies of property without due process, where the insured persons had continued to be New York residents and the beneficiaries were resident at the maturity date of the policies. The relationship between New York and its residents who abandon claims against foreign insurance companies, and between New York and foreign insurance companies doing business therein, is sufficiently close to give New York jurisdiction.<sup>333</sup> Or, in *Standard Oil Co. v. New Jersey*,<sup>334</sup> a divided Court held that due process is not violated by a state statute escheating shares of stock in a domestic corporation, including unpaid dividends, even though the last known owners were nonresidents and the stock was issued and the dividends held in another state. The state's power over the debtor corporation gives it power to seize the debts or demands represented by the stock and dividends.

A state's wide discretion to define abandoned property and dispose of abandoned property can be seen in *Texaco v. Short*,<sup>335</sup> which upheld an Indiana statute that terminated interests in coal, oil, gas, or other minerals that had not been used in twenty years, and that provided for reversion to the owner of the interest out of which the mining interests had been carved. The "use" of a mineral interest that could prevent its extinction included the actual or attempted extraction of minerals, the payment of rents or royalties, and any payment of taxes. Indeed, merely filing a claim with the local re-

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<sup>332</sup> *Demorest v. City Bank Co.*, 321 U.S. 36, 47–48 (1944). Under the peculiar facts of the case, however, the remainderman's right had been created by judicial rules promulgated after the death of the decedent, so the case is not precedent for a broad rule of retroactivity.

<sup>333</sup> *Connecticut Ins. Co. v. Moore*, 333 U.S. 541 (1948). Justices Jackson and Douglas dissented on the ground that New York was attempting to escheat unclaimed funds not actually or constructively located in New York, and which were the property of beneficiaries who may never have been citizens or residents of New York.

<sup>334</sup> 341 U.S. 428 (1951).

<sup>335</sup> 454 U.S. 516 (1982).