

# SENATE BILL REPORT

## SB 6534

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As of February 02, 2006

**Title:** An act relating to unclaimed property locators.

**Brief Description:** Regulating unclaimed property locators.

**Sponsors:** Senator Jacobsen.

**Brief History:**

**Committee Activity:** Financial Institutions, Housing & Consumer Protection: 2/2/06.

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & CONSUMER PROTECTION

**Staff:** Jennifer Arnold (786-7471)

**Background:** Currently, the practice of offering to reunite the apparent owner with unclaimed property for a fee is not regulated. It is believed that there is a necessity for persons, who represent themselves as heir finders or unclaimed property locators, to meet certain state licensure requirements.

**Summary of Bill:** All unclaimed property locators are required to be licensed by the Department of Financial Institutions (DFI).

An "unclaimed property locator" is statutorily defined as a person, or business entity, that offers to reunite the apparent owners or heirs with unclaimed property for a fee.

Application Requirements. Applicants for licensure must: (1) be at least 18; (2) be a United States citizen or resident alien; (3) have not been convicted of a crime, which as determined by the DFI, relates to their capacity to perform the duties of an unclaimed property locator; and (4) pay a licensing fee.

Limitations on Billing Practices. Unclaimed property locators can charge no more than two and one-half percent of the property value successfully returned or 50 dollars, whichever is greater. Further, the unclaimed property locator cannot bill separately for the costs of postage, photocopies, attorney fees, or other services connected with locating the property.

DFI Authority.

*Investigations/Examinations.* The DFI has examination and investigation authority in regards to the business, books, accounts, records, and files, or other information, of any licensee or person believed to be engaged in the business of an unlicensed property locator. This authority includes issuance of subpoenas.

*Statement of Charges.* The Department may issue a statement of charges to licensees or applicants that engage, among other acts, in any of the following: (1) unsound financial

practices; (2) fraud or misrepresentation; (3) failure to pay a required fee; and (4) conversion of any money, or its equivalent, to his or her own use.

*Sanctions.* A licensee or applicant who violates this chapter may be subject to the following sanctions: license denial, revocation, or suspension; cease and desist orders; a fine of up to 100 dollars per day for each day the violation continues; a restitution order; and any applicable sanctions under the Consumer Protection Act. The Administrative Procedures Act governs the processes for hearings and appeals of any imposed sanctions.

*DFI Possession of Property.* In the following circumstances, the DFI may take immediate possession of the property and business of a licensee and retain such possession until the Department determines that the licensee is entitled to resume business:

- The licensee is conducting business in an unsafe or unsound manner, which is hazardous to the public;
- The licensee refuses to submit materials requested by the DFI in the course of an exam or investigation;
- The licensee neglects or refuses to comply with an order from the DFI; or
- An officer of the licensee refuses to be examined under oath.

**Appropriation:** None.

**Fiscal Note:** Requested on January 26, 2006.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** None.

**Testimony Against:** None.

**Who Testified:** No one.