

HOUSE BILL REPORT

HB 2682

*As Passed House
February 13, 1992*

Title: An act relating to the recovery of unclaimed property.

Brief Description: Modifying provisions regarding recovery of unclaimed property.

Sponsor(s): Representatives J. Kohl, Brumsickle and Fraser; by request of Department of Revenue.

Brief History:

Reported by House Committee on:
Revenue, January 31, 1992, DP;
Passed House, February 13, 1992, 96-0.

**HOUSE COMMITTEE ON
REVENUE**

Majority Report: *Do pass.* Signed by 14 members: Representatives Wang, Chair; Fraser, Vice Chair; Brumsickle, Ranking Minority Member; Wynne, Assistant Ranking Minority Member; Belcher; Carlson; Day; J. Kohl; Leonard; Morris; Morton; Rust; Silver; and Van Luven.

Staff: Robin Appleford (786-7093).

Background: Unclaimed intangible property, including stocks and other securities, will often be held by a brokerage firm's main office while an attempt is made to locate the owner of the property. Most such headquarters are located in New York State. If the brokerage firm is unable to locate the owner of the property, New York's unclaimed property statute specifies that unclaimed intangible property belongs to the state of New York.

Delaware recently filed suit against New York to recover unclaimed property held by any New York brokerage firm incorporated in Delaware. Several other states, including Washington, have joined the suit, claiming that the most equitable method of distribution is to assign unclaimed intangible property to the state in which the issuer of the property has its principal place of business. An initial ruling in Washington's favor has been appealed to the U.S. Supreme Court, and a decision is expected by July 1992.

Summary of Bill: In the event of a favorable U.S. Supreme Court decision, Washington is authorized to receive unclaimed intangible property held by out-of-state brokers when the issuer of the intangible property is located in Washington.

Fiscal Note: Available.

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

Testimony For: Washington will recover approximately \$1 million a year from such unclaimed property if the Supreme Court rules in Washington's favor. The state needs the law in place to take advantage of the ruling.

Testimony Against: None.

Witnesses: Dennis Okamoto, Department of Revenue (in favor).