

SENATE BILL REPORT

HB 2682

AS REPORTED BY COMMITTEE ON WAYS & MEANS, FEBRUARY 24, 1992

Brief Description: Modifying provisions regarding recovery of unclaimed property.

SPONSORS: Representatives J. Kohl, Brumsickle and Fraser; by request of Department of Revenue

HOUSE COMMITTEE ON REVENUE

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Amondson, Bailey, Bauer, Bluechel, Cantu, Gaspard, Hayner, M. Kreidler, Metcalf, Murray, Newhouse, Niemi, Owen, Saling, L. Smith, Talmadge, Williams, and Wojahn.

Staff: Terry Wilson (786-7715)

Hearing Dates: February 20, 1992; February 24, 1992

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 brokerages are headquartered 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, joined the suit, claiming that the most equitable method of distribution was 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:

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.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR: None

TESTIMONY AGAINST: None

TESTIFIED: No one