

# SENATE BILL REPORT

## HB 2295

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As Reported By Senate Committee On:  
Labor, Commerce & Financial Institutions, February 28, 2002

**Title:** An act relating to fees for locating unclaimed property.

**Brief Description:** Modifying fees for locating unclaimed property.

**Sponsors:** Representative Ruderman.

**Brief History:**

**Committee Activity:** Labor, Commerce & Financial Institutions: 2/21/02, 2/28/02 [DPA].

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### SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

**Majority Report:** Do pass as amended.

Signed by Senators Prentice, Chair; Keiser, Vice Chair; Benton, Deccio, Fairley, Franklin, Gardner, Hochstatter, Rasmussen, Regala and Winsley.

**Staff:** Elizabeth Mitchell (786-7430)

**Background:** If a business possesses abandoned intangible property (such as safety deposit boxes), the business must give the property to the Department of Revenue. The department then makes efforts to contact the owner of the abandoned property. These efforts include a published list of owners of abandoned property, the mailing of letters to owners, and a searchable database on the Department of Revenue website.

The published list must specify names and last-known addresses of owners who have claims to property of at least \$75 in value. The notice does not specify the precise value of the property that is held. If no owners claim the abandoned property within five years, the department auctions the property to the highest bidder. Proceeds from these auctions are deposited in the general fund.

Some businesses operate with the goal of locating unclaimed property for an individual and receiving a percentage commission upon finding the property. Currently, these businesses may receive up to a 5 percent commission for locating unclaimed property held by the Department of Revenue. There is concern that this level of commission may not be high enough to attract property-finding companies to Washington.

**Summary of Amended Bill:** Businesses may receive up to a 5 percent commission for finding property within two years of its being delivered to the department. After two years, this commission increases to 20 percent.

The notice published by the department must specify which claims are above \$5,000, and if below \$5,000, which claims are above \$75.

**Amended Bill Compared to Original Bill:** Language regarding disclosure of fund amounts is moved to the disclosure section of the chapter. The department must specify that funds are between \$75 and \$5,000, instead of between \$100 and \$5,000. The department is not required to specify that fund amounts are below \$75.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** With the current 5 percent finders' fee rate, it is difficult for heir-finder businesses to make a profit. Other states allow higher finders' fees. If there were more heir-finder businesses in Washington, more unclaimed property could be returned to rightful owners.

**Testimony Against:** None.

**Testified:** Wayne Seminoff, Wayne Seminoff Co. (pro).