
Finance Committee

HB 1656

Brief Description: Modifying fees for locating unclaimed property.

Sponsors: Representatives Ruderman, Nixon, McIntire and Cairnes.

Brief Summary of Bill

- Increases the maximum fee a property finder may charge an unclaimed property owner from 5 percent to 20 percent of the value starting 24 months after the property is transferred to the Department of Revenue.
- Requires public notices of unclaimed property to specify which accounts are above \$5,000, and if below \$5,000, which claims are above \$75.

Hearing Date: 2/18/03

Staff: Rick Peterson (786-7150).

Background:

The Uniform Unclaimed Property Act governs the disposition of intangible property that is unclaimed by its owner. A business that holds unclaimed intangible property must transfer it to the Department of Revenue (DOR) after a holding period set by statute. The holding period varies by type of property, but for most unclaimed property, such as abandoned bank accounts, the holding period is five years. After the holding period is passed, the business in possession of the property transfers the property to the DOR.

The DOR's duty is to find the rightful owner of the property, if possible. The DOR sends notices to the last known addresses of owners, places advertisements with names of owners in newspapers, sends press releases to television and radio stations, and undertakes other efforts to find owners. The DOR is not required to publish or mail notices when the property value is less than \$75. With some exceptions, the DOR will sell property that is still unclaimed five years after it is received. The sale proceeds are deposited in the state general fund. However, the owner of unclaimed property may still come forward and obtain reimbursement from the state general fund at any time.

Businesses who match unclaimed property held by the department with the owner may not

charge the owner a fee of more than 5 percent of the property's value.

The DOR is not allowed to reveal the exact amount of unclaimed property in each account. Accounts are classified into a category of \$75 and above and categories below \$75.

Summary of Bill:

The fee that business may charge unclaimed property owners for finding their property is increased to 20 percent of the value starting 24 months after the property is transferred to the DOR. The maximum fee remains at 5 percent for the first 24 months.

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

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect ninety days after adjournment of session in which bill is passed.