

HOUSE BILL REPORT

SSB 5737

As Passed House - Amended:

April 17, 2003

Title: An act relating to reporting abandoned property.

Brief Description: Reporting abandoned property.

Sponsors: By Senate Committee on Ways & Means (originally sponsored by Senators Benton and Prentice).

Brief History:

Committee Activity:

Finance: 3/27/03, 4/4/03 [DPA].

Floor Activity:

Passed House - Amended: 4/17/03, 98-0.

Brief Summary of Substitute Bill (As Amended by House)

- Increases the value threshold from \$25 to \$50 at which a business must provide to the Department of Revenue (DOR) names and addresses of unclaimed property owners.
- Reduces from two to one the number of times that the DOR must publish in a newspaper the list of people owning unclaimed property.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass as amended. Signed by 9 members: Representatives Gombosky, Chair; McIntire, Vice Chair; Cairnes, Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Ahern, Conway, Morris, Roach and Santos.

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 has passed, the business in possession of the property transfers the property to the DOR. If the property is worth \$75 or more, the business must send written notice to the owner at the owner's last known address before transferring the property to DOR.

If the property is worth \$25 or more, the holder must provide the DOR with a report that includes the name of the apparent owner, last known address and other information. If the property is less than \$25, it may be aggregated with other property worth less than \$25 and remitted without a report.

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, maintains a web site with a data base of unclaimed property, and undertakes other efforts to find owners. The DOR is required to twice publish the names and last known addresses of apparent owners of property worth \$75 or more in newspapers of general circulation.

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.

Summary of Amended Bill:

The threshold at which a business must provide names and addresses of property owners and other information to the DOR is increased from \$25 or more to more than \$50.

The number of times that the DOR must publish in a newspaper the list of people owning unclaimed property is reduced from two to one. The newspaper publication of the list is delayed from September to November.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: The current report threshold is too low at \$25. The amount was set in the uniform unclaimed property act of 1983 and needs to be updated for inflation. The proposed level of \$100 is used by other states. This will help in streamlining the process

for firms that report unclaimed property. The bill has a typo that needs to be fixed.

Testimony Against: None.

Testified: (In Support) Tim Layton, Yum Brands, Inc.

(Concerns) Julie Sexton, Department of Revenue.