

SENATE BILL REPORT

SSB 5737

As Passed Senate, March 13, 2003

Title: An act relating to reporting abandoned property.

Brief Description: Reporting abandoned property.

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

Brief History:

Committee Activity: Financial Services, Insurance & Housing: 2/20/03 [DP].

Ways & Means: 3/6/03, 3/10/03 [DPS].

Passed Senate: 3/13/03, 44-4.

SENATE COMMITTEE ON FINANCIAL SERVICES, INSURANCE & HOUSING

Majority Report: Do pass.

Signed by Senators Benton, Chair; Winsley, Vice Chair; Keiser, Prentice, Roach and Zarelli.

Staff: Alison Mendiola-Hamilton (786-7576)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5737 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rossi, Chair; Hewitt, Vice Chair; Zarelli, Vice Chair; Fairley, Hale, Honeyford, Johnson, Parlette, Regala, Roach, Sheahan and Winsley.

Staff: Catherine Suter (786-7442)

Background: Intangible property, when unclaimed by the owner for five years, is assumed abandoned and is subject to custody of the state if the last known address is within Washington. When a person holds such intangible property (presumed abandoned and subject to custody), the holder must remit the intangible property to the Department of Revenue (DOR). If the property is worth \$25 or more, the holder must make a report to DOR. If the property is less than \$25, it may be aggregated with other such property worth less than \$25 and remitted without a report.

Reports must include: the name and last known address of each person appearing to be owner, insured, annuitant, beneficiary, if known; a description of the property and place held, in the case of the contents of a safe deposit box; the nature and identifying number, if any, of aggregated properties; and the date the property became payable, demandable, or returnable, and the date of the last transaction with the owner.

Persons holding such intangible property worth at least \$75 must send written notice to apparent owners. When the intangible property is remitted to the state, DOR must also mail a notice to the last known owner and must publish a notice at least once a week for two consecutive weeks in a newspaper of general circulation within the county of the apparent owner's last known address.

In the case of a gift certificate presumed abandoned, the value is the price paid by the purchaser.

Summary of Bill: The threshold for reporting intangible property presumed abandoned and subject to custody is raised from \$25 or more to more than \$100.

The threshold for persons holding such intangible property to notify the apparent owner is raised from \$75 or more to more than \$100, as is the threshold for DOR to notify last owners and publish notice.

The amount of time allowed for DOR to publish its notice is extended two months, and DOR need publish notice only once.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For (Financial Services, Insurance & Housing): The \$25 reporting threshold is too low, and is an administrative headache. For example, if a fast food employee makes \$7 an hour, works four hours and then never shows up again, that unclaimed \$28 would have to be reported.

Testimony Against (Financial Services, Insurance & Housing): None.

Testified (Financial Services, Insurance & Housing): Tim Layton, Yum Brands, Inc. (pro).

Testimony For (Ways & Means): The \$25 reporting threshold is too low, and is an administrative headache. For example, if a fast food employee makes \$7 an hour, works four hours and then never shows up again, that unclaimed \$28 would have to be reported.

Testimony Against (Ways & Means): None.

Testified (Ways & Means): Tim Layton, Yum Brands, Inc. (pro).

House Amendment(s): The amended bill allows unclaimed property with a value of \$50 or less to be reported in the aggregate, as opposed to the original substitute Senate bill's threshold of \$100.

The amended bill restores the \$75 value threshold for persons holding such intangible property to notify the apparent owner and for DOR to notify last owners and publish notice. The original substitute Senate bill raised this threshold to \$100.

The amount of time allowed for DOR to publish its notice is extended two months, and DOR need publish notice only once, as in the original substitute Senate bill.