

FINAL BILL REPORT

ESHB 1703

C 285 L 05

Synopsis as Enacted

Brief Description: Modifying the application of the unclaimed property laws to certain public transportation fare cards.

Sponsors: By House Committee on Finance (originally sponsored by Representatives Jarrett and Sells).

House Committee on Finance

Senate Committee on Financial Institutions, Housing & Consumer Protection

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 after a holding period set by statute. The holding period varies by type of property, but for most unclaimed property the holding period is three years.

In 2004, the Legislature exempted gift certificates, including gift cards, from the unclaimed property provisions, as long as the holders or issuers of the certificates met certain requirements. Gift cards are defined to include cards with stored value that may be exchanged for consumer goods and services.

Some public transportation agencies issue fare cards as a convenient mechanism for riders to pay for transit trips. These cards may be designed with microcomputers and can be used to store transit passes for unlimited trips over a certain period of time. In addition, these cards can maintain amounts of stored value that may be redeemed incrementally when making transit trips. There is some question as to whether such cards would be subject to the gift certificate law enacted in 2004. The 2004 law provides an intent statement that the law be liberally construed to benefit consumers and that any ambiguities with respect to the application of the law should be resolved by applying the unclaimed property law to the intangible property in question.

Summary:

A public transportation agency may retain any funds representing value on abandoned fare cards until such time as the owner of the value claims it. A fare card is any pass or instrument purchased to utilize public transportation facilities or services. Fare cards do not include gift cards that are subject to the 2004 gift certificate law.

Votes on Final Passage:

House 93 0

Senate 45 1

Effective: July 24, 2005