

---

**Finance Committee**

---

**HB 1703**

**Brief Description:** Exempting fare cards from the unclaimed property act.

**Sponsors:** Representatives Jarrett and Sells.

<p><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Exempts transit fare cards from the unclaimed property provisions.</li></ul>
--



**Hearing Date:** 2/23/05

**Staff:** Mark Matteson (786-7145).

**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 (Department) 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. After the holding period has passed, the business in possession of the property transfers the property to the Department.

The unclaimed property act applies to any unclaimed property, whether tangible or intangible, in general. 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 to riders for paying for transit trips. These cards maintain an amount 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 of Bill:**

Fare cards are exempt from the provisions of the Unclaimed Property Act. A fare card is any pass or instrument purchased to utilize public transportation facilities or services.

**Appropriation:** None.

**Fiscal Note:** Available.

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