

FINAL BILL REPORT

SHB 2169

C 8 L 11 E2
Synopsis as Enacted

Brief Description: Modifying the uniform unclaimed property act.

Sponsors: House Committee on Ways & Means (originally sponsored by Representatives Hasegawa, Kenney and Ormsby).

House Committee on Ways & Means

Background:

The Uniform Unclaimed Property Act governs the disposition of property that is unclaimed by its owner. A business that holds unclaimed property must transfer it to the Department of Revenue (DOR) after a holding period set by statute. The holding period varies by the type of property, but for most unclaimed property, such as abandoned bank accounts, stocks, and bonds, the holding period is three years. After the holding period has 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. With some exceptions, the DOR will sell property that is still unclaimed within five years after it is received. State law requires the DOR to hold stocks, bonds, and other securities for a period of time – usually three years – before being sold. When the unclaimed property is sold, the sale proceeds are deposited in the State General Fund.

The owner of unclaimed property may come forward at any time to claim the property. If the property has already been sold by the DOR, the owner is generally entitled to the proceeds of the sale, plus any interest accruing as part of the security, less administrative costs. However, if abandoned stock or other securities are sold before the expiration of the three year holding period by the DOR, the owner is entitled to the greater of the market value of the security at the time the claim is made or the proceeds of the sale, less any administrative costs.

Summary:

The Department of Revenue (DOR) must sell all securities received under the unclaimed property program as soon as practicable unless, in the judgment of the DOR, the securities are worthless, cannot be sold, or are not cost-effective to sell. Owners of stock making a

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

claim under the Unclaimed Property Act are entitled to the proceeds received from the sale less administrative costs, or the stock if the DOR has not yet ordered the sale of the stock.

Votes on Final Passage:

Second Special Session

House 94 0

Senate 44 4

Effective: December 20, 2011