

SENATE BILL REPORT

SHB 2169

As of Second Reading

Title: An act relating to modifying the uniform unclaimed property act.

Brief Description: Modifying the uniform unclaimed property act.

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

Brief History: Passed House: 12/13/11, 94-0.

Committee Activity:

Staff: Dianne Criswell (786-7433)

Background: Holding Period for Unclaimed Securities. Under the state Unclaimed Property program, a business, financial institution, utility, or governmental entity holding unclaimed 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. For most unclaimed securities, such as bonds, stocks, or dividends, the holding period by the business or other entity is three years. After the holding period has passed, the business or other entity must transfer the property to DOR.

Additional 3-Year Holding Period by DOR Before Unclaimed Securities May Be Sold. Abandoned property turned over to DOR is deposited into the state General Fund, or else liquidated and then deposited. However, most abandoned securities that are turned over to the state may be sold no sooner than three years after the state has received the property.

Notice. Under the program, DOR's duty is to find the rightful owner of the property, if possible. One of DOR's requirements is to place a notice by November 1 of each year in a newspaper of general circulation which it determines is the most likely to give notice to the apparent owner of the unclaimed property. The published notice must contain an explanation of how persons possessing an interest in the property may contact DOR for further information. Further, DOR is required to mail notices by September 1 of each year to apparent owners of unclaimed property that has been reported and turned over to the state in that year.

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 for Unclaimed Property by the Owner. The owner of unclaimed property may come forward at any time to claim the property. If the property has already been sold by 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 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 of Bill: All securities delivered to DOR must be sold as soon as practicable, in the judgment of DOR. This requirement does not apply to any securities that are unsaleable, worthless, or not cost-effective to sell.

Any person making a claim for a security turned over to DOR is entitled to receive the net proceeds if the security has been ordered sold. If the security has not been ordered sold, a person claiming the security may elect to have the security returned or to receive the net proceeds. If the security is deemed unsaleable, the person is entitled to the return of the security.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.