

FINAL BILL REPORT

SB 5633

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Synopsis as Enacted

Brief Description: Exempting agricultural fair premiums from the unclaimed property act.

Sponsors: Senators Pridemore, Hewitt, Kastama and Swecker.

Senate Committee on Agriculture & Rural Economic Development
House Committee on Ways & Means

Background: Washington's Unclaimed Property Act (UPA) requires holders of unclaimed property, including private entities and local governments, to hold the property for owners. Unclaimed property includes uncashed checks. After three years, a private entity holding an obligation to pay an uncashed check must transfer funds to pay the check to the state Department of Revenue (DOR). A local government holding an obligation to pay an uncashed check may transfer funds to pay the check to DOR or retain the funds. There is no time limit for an owner to claim the funds from either DOR or the local government.

Some uncashed checks are exempt from the UPA, including certain claim offers issued by insurers. Checks that are not subject to the UPA may become unpayable six months after issuance.

In Washington, counties and private nonprofit entities operate agricultural fairs. The fairs commonly award small premium checks as prizes. Recipients sometimes retain the checks as mementos, rather than cashing them. The fairs remain subject to long-term liability under the UPA to pay the uncashed checks.

Summary: Unclaimed premiums paid by an agricultural fair by check are not subject to the UPA. An agricultural fair is a fair or exhibition intended to promote agriculture by including varied exhibits of livestock, agricultural products, and related manufactured products and arts. A premium is an amount paid for exhibits and educational contests, displays, and demonstrations, but does not include judges' fees and expenses, livestock sale revenues, or prizes or amounts paid for promotion or entertainment activities such as queen contests, parades, dances, rodeos, and races.

Votes on Final Passage:

Senate	45	0
House	95	0

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.

Effective: July 22, 2011.