
Ways & Means Committee

HB 2169

Brief Description: Modifying the uniform unclaimed property act.

Sponsors: Representative Hasegawa.

Brief Summary of Bill

- Authorizes the Department of Revenue to sell unclaimed stocks, bonds, and other securities as soon as practicable.

Hearing Date: 12/12/11

Staff: Rick Peterson (786-7150).

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

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by the Department, 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:

The Department of Revenue (DOR) is authorized to 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 claim under the unclaimed property program 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.

Appropriation: None.

Fiscal Note: Available.

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