

SENATE BILL REPORT

SB 5633

As of February 9, 2011

Title: An act relating to exempting agricultural fair premiums from the unclaimed property act.

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

Sponsors: Senators Pridemore, Hewitt, Kastama and Swecker.

Brief History:

Committee Activity: Agriculture & Rural Economic Development: 2/10/11.

SENATE COMMITTEE ON AGRICULTURE & RURAL ECONOMIC DEVELOPMENT

Staff: Sam Thompson (786-7413)

Background: Washington's Unclaimed Property Act (UPA) requires holders of unclaimed intangible property, including money or checks, to transfer the property to the Department of Revenue (DOR) after a three-year holding period. DOR then seeks to find the rightful owner, if possible. The agency may hold unclaimed intangible property indefinitely, and there is no time limit for filing a claim. Local governments holding unclaimed intangible property are not required to transfer the property to DOR, but provide reports to the agency regarding the property and remain liable to pay the owner.

Some unclaimed intangible property is not subject to the UPA, and may be retained by the holder. This includes:

- drafts issued by insurance companies as offers to settle certain claims;
- certain property held by museums and historical societies;
- gift certificates, under some circumstances; and
- excess proceeds held by municipalities from foreclosures for delinquent property taxes, assessments, or other liens.

Summary of Bill: Unclaimed premiums paid by an agricultural fair by check are not subject to the UPA. Agricultural fairs may thus retain unclaimed premium checks.

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

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prizes or amounts paid for promotion or entertainment activities such as queen contests, parades, dances, rodeos, and races.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.