

HOUSE BILL REPORT

HB 1994

As Passed House:
March 10, 2007

Title: An act relating to overpayments received by courts.

Brief Description: Addressing overpayments received by courts.

Sponsors: By Representatives Curtis, Ericks, Roberts and Quall.

Brief History:

Committee Activity:

Judiciary: 2/13/07 [DP];
Finance: 3/2/07 [DP].

Floor Activity:

Passed House: 3/10/07, 94-1.

Brief Summary of Bill

- Allows courts to retain litigation overpayments of \$10 or less, rather than transferring them to the Department of Revenue under the Unclaimed Property Act.

HOUSE COMMITTEE ON JUDICIARY

Majority Report: Do pass. Signed by 11 members: Representatives Lantz, Chair; Goodman, Vice Chair; Rodne, Ranking Minority Member; Warnick, Assistant Ranking Minority Member; Ahern, Flannigan, Kirby, Moeller, Pedersen, Ross and Williams.

Staff: Bill Perry (786-7123).

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 9 members: Representatives Hunter, Chair; Hasegawa, Vice Chair; Orcutt, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Conway, Ericks, McIntire, Roach and Santos.

Staff: Mark Matteson (786-7145).

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.

Background:

Under the Unclaimed Property Act (UPA), intangible property held by someone other than the owner is presumed to be abandoned and subject to the custody of the state if certain conditions exist. Generally, a presumption of abandonment is created when property remains unclaimed for three years. There are specific rules that apply to various kinds of intangible property, including travelers checks, bank accounts, money orders, shares of stock, life insurance policies, lottery tickets, and other types of intangible property.

The holder of unclaimed property is generally required to supply information annually to the Department of Revenue (DOR) regarding the property and its owner. Depending on the holder and the type and value of the property involved, attempts must be made by the holder and by the DOR to notify the owner of the property.

One specific provision within the UPA applies to property held by courts and other public agencies. Such property is considered abandoned if it remains unclaimed for more than two years.

Summary of Bill:

Courts are allowed to retain certain overpayments of \$10 or less. The overpayments covered are those made in connection with any litigation. The retained money is to be deposited into the local current expense fund.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: (Judiciary)

(In support) The cost of complying with the current law exceeds the value of the property turned over. The State Auditor has concluded that courts must comply with the Unclaimed Property Act even with respect to very small overpayments. When a check is written to pay back a very small overpayment, 90 percent of the time the check goes uncashed, resulting in stop payment charges and other processing costs for the courts. Sometimes even a law enforcement officer's unclear handwriting has resulted in people writing checks for a few cents more than they should.

(Opposed) None.

Staff Summary of Public Testimony: (Finance)

(In support) It costs more to go through the process of refunding overpayments by defendants than what the overpayments amount to. It takes roughly \$7 to \$13 per hour of staff time to process these overpayments. And that doesn't include charges like stop payment charges.

(Opposed) None.

Persons Testifying: (Judiciary) Melanie Stewart, District and Municipal Court Judges Association; and Yvonne Pettus, District and Municipal Court Management Association.

Persons Testifying: (Finance) Yvonne Pettus, District and Municipal Court Management Association.

Persons Signed In To Testify But Not Testifying: (Judiciary) None.

Persons Signed In To Testify But Not Testifying: (Finance) None.