

# HOUSE BILL REPORT

## HB 2018

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*As Reported By House Committee on:  
Local Government*

**Title:** An act relating to port districts.

**Brief Description:** Concerning unclaimed property held by port districts.

**Sponsor(s):** Representatives Mitchell, Ferguson, G. Fisher, Cooper and Nealey.

**Brief History:**

Reported by House Committee on:  
Local Government, March 6, 1991, DP.

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**HOUSE COMMITTEE ON  
LOCAL GOVERNMENT**

**Majority Report:** *Do pass.* Signed by 15 members: Representatives Haugen, Chair; Cooper, Vice Chair; Ferguson, Ranking Minority Member; Mitchell, Assistant Ranking Minority Member; Bray; Edmondson; Franklin; Horn; Nealey; Nelson; Rayburn; Roland; Wood; Wynne; and Zellinsky.

**Staff:** Bill Lynch (786-7092).

**Background:** Unclaimed property is generally turned over to the custody of the State. If the property is unclaimed, it is sold and proceeds are deposited into the state general fund.

Unclaimed property in the hands of city police, the State Patrol, and the county sheriff may be sold by the city, patrol, or county if it is unclaimed for 60 days after notice is provided. The proceeds must first be applied to the costs of the sale, and then to the costs of storing the property. Any excess is deposited into the city current expense fund, the State Patrol highway account, or the county current expense fund. The owner of the property may be reimbursed if satisfactory proof of ownership is presented within three years after the money has been deposited into the account. No similar provisions exist for personal property that comes into the hands of port districts in connection with their official duties.

**Summary of Bill:** If the owner of personal property that comes into the possession of a port district in connection with its official duties does not claim the property within 60 days, then the port district may dispose of the property. The port is required to provide written notice to the owner if the owner is known.

A port district may dispose of personal property by selling the property at a public auction to the highest bidder for cash, donating the property to a nonprofit charitable organization for use by needy people, or destroying the property. The property may be destroyed if it has no substantial commercial value, or the probable cost of sale exceeds the value of the property; and the item has been unclaimed after notice has been provided; and the item is unsafe and unable to be made safe for use by any member of the general public.

Before the personal property is sold, a notice of the sale must be published at least once in the official newspaper of the city at least 10 days prior to the date fixed for sale. The notice must state the time and place of the sale, and contain a description of the property to be sold. If the owner fails to claim the property prior to the time fixed for the sale, the commission conducts the sale and sells the property to the highest and best bidder.

Moneys derived from sales of personal property must be first applied to the payment of the costs and expenses of the sale and then to the payment of lawful charges and expenses for storing the personal property. Any balance is paid into the port's incidental expense fund.

If the owner of the personal property sold, or the owner's legal representative, furnishes satisfactory evidence of ownership of the property within three years after the money was deposited in the port's incidental expense fund, then the owner is entitled to receive the amount deposited into the incidental expense fund plus interest.

**Fiscal Note:** Not requested.

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

**Testimony For:** The revenues received from auction sales do not cover the associated costs. Storage space must be used to hold items for over a year while awaiting the auction date. Charitable organizations would benefit from the donations of this property.

**Testimony Against:** None.

**Witnesses:** Gary Grant, Port of Seattle.