

CERTIFICATION OF ENROLLMENT

HOUSE BILL 1479

Chapter 498, Laws of 1993

(partial veto)

53rd Legislature
1993 Regular Session

UNIFORM UNCLAIMED PROPERTY ACT ADMINISTRATION

EFFECTIVE DATE: 7/25/93

Passed by the House April 22, 1993
Yeas 96 Nays 0

BRIAN EBERSOLE
**Speaker of the
House of Representatives**

Passed by the Senate April 15, 1993
Yeas 44 Nays 4

JOEL PRITCHARD
President of the Senate

Approved May 18, 1993, with the
exceptions of sections 1, 3, 11, and
12, which are vetoed.

MIKE LOWRY
Governor of the State of Washington

CERTIFICATE

I, Alan Thompson, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1479** as passed by the House of Representatives and the Senate on the dates hereon set forth.

ALAN THOMPSON
Chief Clerk

FILED

May 18, 1993 - 2:29 p.m.

**Secretary of State
State of Washington**

HOUSE BILL 1479

AS AMENDED BY THE SENATE

Passed Legislature - 1993 Regular Session

State of Washington 53rd Legislature 1993 Regular Session

By Representatives G. Fisher, Foreman, Wang and Anderson; by request of
Department of Revenue

Read first time 01/29/93. Referred to Committee on Revenue.

1 AN ACT Relating to the administration of the uniform unclaimed
2 property act; amending RCW 63.29.010, 63.29.130, 63.29.020, 63.29.165,
3 19.150.060, 19.150.080, 63.29.170, 63.29.190, 63.29.180, 63.29.220, and
4 67.70.190; and adding a new section to chapter 63.29 RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1. RCW 63.29.010 and 1983 c 179 s 1 are each amended to read*
7 *as follows:*

8 *As used in this chapter, unless the context otherwise requires:*

9 *(1) "Department" means the department of revenue established under*
10 *RCW 82.01.050.*

11 *(2) "Apparent owner" means the person whose name appears on the*
12 *records of the holder as the person entitled to property held, issued,*
13 *or owing by the holder.*

14 *(3) "Attorney general" means the chief legal officer of this state*
15 *referred to in chapter 43.10 RCW.*

16 *(4) "Banking organization" means a bank, trust company, savings*
17 *bank, land bank, safe deposit company, private banker, or any*
18 *organization defined by other law as a bank or banking organization.*

1 (5) "Business association" means a nonpublic corporation, joint
2 stock company, investment company, business trust, partnership, or
3 association for business purposes of two or more individuals, whether
4 or not for profit, including a banking organization, financial
5 organization, insurance company, or utility.

6 (6) "Domicile" means the state of incorporation of a corporation
7 and the state of the principal place of business of an unincorporated
8 person.

9 (7) "Financial organization" means a savings and loan association,
10 cooperative bank, building and loan association, or credit union.

11 (8) "Holder" means a person, wherever organized or domiciled, who
12 is:

13 (a) In possession of property belonging to another,

14 (b) A trustee, or

15 (c) Indebted to another on an obligation.

16 (9) "Insurance company" means an association, corporation,
17 fraternal or mutual benefit organization, whether or not for profit,
18 which is engaged in providing insurance coverage, including accident,
19 burial, casualty, credit life, contract performance, dental, fidelity,
20 fire, health, hospitalization, illness, life (including endowments and
21 annuities), malpractice, marine, mortgage, surety, and wage protection
22 insurance.

23 (10) "Intangible property" does not include contract claims which
24 are unliquidated but does include:

25 (a) Moneys, checks, drafts, deposits, interest, dividends, and
26 income;

27 (b) Credit balances, customer overpayments, gift certificates,
28 security deposits, refunds, credit memos, unpaid wages, unused airline
29 tickets, unredeemed Washington state lottery tickets, and unidentified
30 remittances, but does not include discounts which represent credit
31 balances for which no consideration was given;

32 (c) Stocks, and other intangible ownership interests in business
33 associations;

34 (d) Moneys deposited to redeem stocks, bonds, coupons, and other
35 securities, or to make distributions;

36 (e) Liquidated amounts due and payable under the terms of insurance
37 policies; and

38 (f) Amounts distributable from a trust or custodial fund
39 established under a plan to provide health, welfare, pension, vacation,

1 severance, retirement, death, stock purchase, profit sharing, employee
2 savings, supplemental unemployment insurance, or similar benefits.

3 (11) "Last known address" means a description of the location of
4 the apparent owner sufficient for the purpose of the delivery of mail.

5 (12) "Owner" means a depositor in the case of a deposit, a
6 beneficiary in case of a trust other than a deposit in trust, a
7 creditor, claimant, or payee in the case of other intangible property,
8 or a person having a legal or equitable interest in property subject to
9 this chapter or his legal representative.

10 (13) "Person" means an individual, business association, state or
11 other government, governmental subdivision or agency, public
12 corporation, public authority, estate, trust, two or more persons
13 having a joint or common interest, ~~((or))~~ any other legal or commercial
14 entity, or the United States or any instrumentality of the United
15 States.

16 (14) "State" means any state, district, commonwealth, territory,
17 insular possession, or any other area subject to the legislative
18 authority of the United States.

19 (15) "Third party bank check" means any instrument drawn against a
20 customer's account with a banking organization or financial
21 organization on which the banking organization or financial
22 organization is only secondarily liable.

23 (16) "Utility" means a person who owns or operates for public use
24 any plant, equipment, property, franchise, or license for the
25 transmission of communications or the production, storage,
26 transmission, sale, delivery, or furnishing of electricity, water,
27 steam, or gas.

28 *Sec. 1 was vetoed, see message at end of chapter.

29 **Sec. 2.** RCW 63.29.130 and 1983 c 179 s 13 are each amended to read
30 as follows:

31 Intangible property held for the owner by a court, state or other
32 government, governmental subdivision or agency, public corporation,
33 ~~((or))~~ public authority ((which)), or the United States or any
34 instrumentality of the United States that remains unclaimed by the
35 owner for more than two years after becoming payable or distributable
36 is presumed abandoned.

1 **Sec. 3. RCW 63.29.020 and 1992 c 122 s 1 are each amended to read*
2 *as follows:*

3 *(1) Except as otherwise provided by this chapter, all intangible*
4 *property, including any income or increment derived therefrom, less any*
5 *lawful charges, that is held, issued, or owing in the ordinary course*
6 *of the holder's business and has remained unclaimed by the owner for*
7 *more than five years after it became payable or distributable is*
8 *presumed abandoned.*

9 *(2) Property, with the exception of ((~~unredeemed Washington state~~*
10 *lottery tickets and)) unrepresented winning parimutuel tickets, is*
11 *payable and distributable for the purpose of this chapter*
12 *notwithstanding the owner's failure to make demand or to present any*
13 *instrument or document required to receive payment.*

14 *(3) This chapter does not apply to claims drafts issued by*
15 *insurance companies representing offers to settle claims unliquidated*
16 *in amount or settled by subsequent drafts or other means.*

17 *(4) This chapter does not apply to property covered by chapter*
18 *63.26 RCW.*

19 *(5) This chapter does not apply to used clothing, umbrellas, bags,*
20 *luggage, or other used personal effects if such property is disposed of*
21 *by the holder as follows:*

22 *(a) In the case of personal effects of negligible value, the*
23 *property is destroyed; or*

24 *(b) The property is donated to a bona fide charity.*

25 *(6) This chapter does not apply to personal papers and personal*
26 *effects retained by the owner of a self-service storage facility*
27 *following a sale conducted under RCW 19.150.080.*

28 **Sec. 3 was vetoed, see message at end of chapter.*

29 **Sec. 4.** RCW 63.29.165 and 1988 c 240 s 21 are each amended to read
30 as follows:

31 The ((~~personal papers and personal effects held by the owner and~~
32 ~~the~~)) excess proceeds of a sale conducted pursuant to RCW 19.150.080 by
33 an owner of a self-service storage facility to satisfy the lien and
34 costs of storage which are not claimed by the occupant of the storage
35 space or any other person which remains unclaimed for more than six
36 months are presumed abandoned.

1 **Sec. 5.** RCW 19.150.060 and 1988 c 240 s 7 are each amended to read
2 as follows:

3 If a notice has been sent, as required by RCW 19.150.040, and the
4 total sum due has not been paid as of the date specified in the
5 preliminary lien notice, the lien proposed by this notice attaches as
6 of that date and the owner may deny an occupant access to the space,
7 enter the space, inventory the goods therein, and remove any property
8 found therein to a place of safe keeping. The owner shall then serve
9 by personal service or send to the occupant, addressed to the
10 occupant's last known address and to the alternative address specified
11 in RCW 19.150.120(2) by certified mail, postage prepaid, a notice of
12 lien sale or notice of disposal which shall state all of the following:

13 (1) That the occupant's right to use the storage space has
14 terminated and that the occupant no longer has access to the stored
15 property.

16 (2) That the stored property is subject to a lien, and the amount
17 of the lien accrued and to accrue prior to the date required to be
18 specified in subsection (3) of this section.

19 (3) That the property, other than personal papers and personal
20 effects, may be sold to satisfy the lien after a specified date which
21 is not less than fourteen days from the date of mailing the lien sale
22 notice, or a minimum of forty-two days after the date when any part of
23 the rent or other charges due from the occupants remain unpaid,
24 whichever is later, unless the amount of the lien is paid. If the
25 total value of property in the storage space is less than one hundred
26 dollars, the owner may, instead of sale, dispose of the property in any
27 reasonable manner, subject to the restrictions of RCW 19.150.080(~~(+3)~~)
28 (4).

29 (4) That any excess proceeds of the sale or other disposition under
30 RCW 19.150.080(2) over the lien amount and costs of sale (~~and any~~
31 ~~personal papers and personal effects~~) will be retained by the owner
32 and may be reclaimed by the occupant, or claimed by another person, at
33 any time for a period of six months from the sale and that thereafter
34 the proceeds (~~and personal papers and effects~~) will be turned over to
35 the state as abandoned property as provided in RCW 63.29.165.

36 (5) That any personal papers and personal effects will be retained
37 by the owner and may be reclaimed by the occupant at any time for a
38 period of six months from the sale or other disposition of property and
39 that thereafter the owner may dispose of the personal papers and

1 effects in a reasonable manner, subject to the restrictions of RCW
2 19.150.080(3).

3 (6) That if the occupant was served with notice of the lien sale by
4 mail, the occupant within six months after the date of the sale may
5 repurchase from any purchaser or subsequent purchaser any of the
6 occupant's property sold pursuant to RCW 19.150.080 at the price paid
7 by the original purchaser.

8 ~~((+6+))~~ (7) That if notice of the lien sale was by personal
9 service, the occupant has no right to repurchase any property sold at
10 the lien sale.

11 **Sec. 6.** RCW 19.150.080 and 1988 c 240 s 9 are each amended to read
12 as follows:

13 (1) After the expiration of the time given in the notice of lien
14 sale pursuant to RCW 19.150.060, the property, other than personal
15 papers and personal effects, may be sold or disposed of in a reasonable
16 manner.

17 (2)(a) If the property has a value of one hundred dollars or more,
18 the sale shall be conducted in a commercially reasonable manner, and,
19 after deducting the amount of the lien and costs of sale, the owner
20 shall retain any excess proceeds of the sale on the occupant's behalf.
21 The occupant, or any other person having a court order or other
22 judicial process against the property, may claim the excess proceeds,
23 or a portion thereof sufficient to satisfy the particular claim, at any
24 time within six months of the date of sale.

25 (b) If the property has a value of less than one hundred dollars,
26 the property may be disposed of in a reasonable manner.

27 (3) Personal papers and personal effects that are not reclaimed by
28 the occupant within six months of a sale under subsection (2)(a) of
29 this section or other disposition under subsection (2)(b) of this
30 section may be disposed of in a reasonable manner.

31 (4) No employee or owner, or family member of an employee or owner,
32 may acquire, directly or indirectly, the property sold pursuant to
33 subsection (2)(a) of this section or disposed of pursuant to subsection
34 (2)(b) of this section, or personal papers and personal effects
35 disposed of under subsection (3) of this section.

36 ~~((+4+))~~ (5) The owner is entitled to retain any interest earned on
37 the excess proceeds until the excess proceeds are claimed by another

1 person or are turned over to the state as abandoned property pursuant
2 to RCW 63.29.165.

3 ((+5)) (6) After the sale or other disposition pursuant to this
4 section has been completed, the owner shall provide an accounting of
5 the disposition of the proceeds of the sale or other disposition to the
6 occupant at the occupant's last known address and at the alternative
7 address.

8 **Sec. 7.** RCW 63.29.170 and 1983 c 179 s 17 are each amended to read
9 as follows:

10 (1) A person holding property presumed abandoned and subject to
11 custody as unclaimed property under this chapter shall report to the
12 department concerning the property as provided in this section.

13 (2) The report must be verified and must include:

14 (a) Except with respect to travelers checks and money orders, the
15 name, if known, and last known address, if any, of each person
16 appearing from the records of the holder to be the owner of property of
17 the value of twenty-five dollars or more presumed abandoned under this
18 chapter;

19 (b) In the case of unclaimed funds of twenty-five dollars or more
20 held or owing under any life or endowment insurance policy or annuity
21 contract, the full name and last known address of the insured or
22 annuitant and of the beneficiary according to the records of the
23 insurance company holding or owing the funds;

24 (c) In the case of the contents of a safe deposit box or other
25 safekeeping repository or in the case of other tangible property, a
26 description of the property and the place where it is held and where it
27 may be inspected by the department, and any amounts owing to the
28 holder;

29 (d) The nature and identifying number, if any, or description of
30 the property and the amount appearing from the records to be due, but
31 items of value under twenty-five dollars each may be reported in the
32 aggregate;

33 (e) The date the property became payable, demandable, or
34 returnable, and the date of the last transaction with the apparent
35 owner with respect to the property; and

36 (f) Other information the department prescribes by rule as
37 necessary for the administration of this chapter.

1 (3) If the person holding property presumed abandoned and subject
2 to custody as unclaimed property is a successor to other persons who
3 previously held the property for the apparent owner or the holder has
4 changed his name while holding the property, he shall file with his
5 report all known names and addresses of each previous holder of the
6 property.

7 (4) The report must be filed before November 1 of each year and
8 shall include all property presumed abandoned and subject to custody as
9 unclaimed property under this chapter that is in the holder's
10 possession as of the preceding June (~~((30, next preceding, but the~~
11 ~~report of any life insurance company must be filed before May 1 of each~~
12 ~~year as of December 31 next preceding))~~ 30th. On written request by
13 any person required to file a report, the department may postpone the
14 reporting date.

15 (5) Not more than one hundred twenty days before filing the report
16 required by this section, the holder in possession of property presumed
17 abandoned and subject to custody as unclaimed property under this
18 chapter shall send written notice to the apparent owner at his last
19 known address informing him that the holder is in possession of
20 property subject to this chapter if:

21 (i) The holder has in its records an address for the apparent owner
22 which the holder's records do not disclose to be inaccurate,

23 (ii) The claim of the apparent owner is not barred by the statute
24 of limitations, and

25 (iii) The property has a value of seventy-five dollars or more.

26 **Sec. 8.** RCW 63.29.190 and 1991 c 311 s 7 are each amended to read
27 as follows:

28 (1) Except as otherwise provided in subsections (2) and (3) of this
29 section, a person who is required to file a report under RCW
30 63.29.170(~~(, within six months after the final date for filing the~~
31 ~~report as required by RCW 63.29.170,)) shall pay or deliver to the
32 department all abandoned property required to be reported at the time
33 of filing the report.~~

34 (2) Counties, cities, towns, and other municipal and quasi-
35 municipal corporations that hold funds representing warrants canceled
36 pursuant to RCW 36.22.100 and 39.56.040, uncashed checks, excess
37 proceeds from property tax and irrigation district foreclosures, and
38 property tax overpayments or refunds may retain the funds until the

1 owner notifies them and establishes ownership as provided in RCW
2 63.29.135. Counties, cities, towns, or other municipal or quasi-
3 municipal corporations shall provide to the department a report of
4 property it is holding pursuant to this section. The report shall
5 identify the property and owner in the manner provided in RCW 63.29.170
6 and the department shall publish the information as provided in RCW
7 63.29.180.

8 (3) The contents of a safe deposit box or other safekeeping
9 repository presumed abandoned under RCW 63.29.160 and reported under
10 RCW 63.29.170 shall be paid or delivered to the department within six
11 months after the final date for filing the report required by RCW
12 63.29.170.

13 ~~((2))~~ If the owner establishes the right to receive the abandoned
14 property to the satisfaction of the holder before the property has been
15 delivered or it appears that for some other reason the presumption of
16 abandonment is erroneous, the holder need not pay or deliver the
17 property to the department, and the property will no longer be presumed
18 abandoned. In that case, the holder shall file with the department a
19 verified written explanation of the proof of claim or of the error in
20 the presumption of abandonment.

21 ~~((3) Property reported under RCW 63.29.170 for which the holder is~~
22 ~~not required to report the name of the apparent owner must be delivered~~
23 ~~to the department at the time of filing the report.))~~

24 (4) The holder of an interest under RCW 63.29.100 shall deliver a
25 duplicate certificate or other evidence of ownership if the holder does
26 not issue certificates of ownership to the department. Upon delivery
27 of a duplicate certificate to the department, the holder and any
28 transfer agent, registrar, or other person acting for or on behalf of
29 a holder in executing or delivering the duplicate certificate is
30 relieved of all liability of every kind in accordance with RCW
31 63.29.200 to every person, including any person acquiring the original
32 certificate or the duplicate of the certificate issued to the
33 department, for any losses or damages resulting to any person by the
34 issuance and delivery to the department of the duplicate certificate.

35 **Sec. 9.** RCW 63.29.180 and 1986 c 84 s 1 are each amended to read
36 as follows:

37 (1) The department shall cause a notice to be published not later
38 than ~~((March 1, or in the case of property reported by life insurance~~

1 ~~companies,~~) September 1, immediately following the report required by
2 RCW 63.29.170 at least once a week for two consecutive weeks in a
3 newspaper of general circulation in the county of this state in which
4 is located the last known address of any person to be named in the
5 notice. If no address is listed or the address is outside this state,
6 the notice must be published in the county in which the holder of the
7 property has its principal place of business within this state.

8 (2) The published notice must be entitled "Notice of Names of
9 Persons Appearing to be Owners of Abandoned Property" and contain:

10 (a) The names in alphabetical order and last known address, if any,
11 of persons listed in the report and entitled to notice within the
12 county as specified in subsection (1) of this section; and

13 (b) A statement that information concerning the property and the
14 name and last known address of the holder may be obtained by any person
15 possessing an interest in the property by addressing an inquiry to the
16 department (~~and~~

17 ~~(c) A statement that if proof of claim is not presented by the
18 owner to the holder and the owner's right to receive the property is
19 not established to the holder's satisfaction before April 20, or, in
20 the case of property reported by life insurance companies, before
21 October 20, the property will be placed not later than May 1, or in the
22 case of property reported by life insurance companies, not later than
23 November 1, in the custody of the department and all further claims
24 must thereafter be directed to the department)).~~

25 (3) The department is not required to publish in the notice any
26 items of less than seventy-five dollars unless the department considers
27 their publication to be in the public interest.

28 (4) ~~Not later than ((March 1, or in the case of property reported
29 by life insurance companies, not later than))~~ September 1, immediately
30 following the report required by RCW 63.29.170, the department shall
31 mail a notice to each person whose last known address is listed in the
32 report and who appears to be entitled to property of the value of
33 seventy-five dollars or more presumed abandoned under this chapter and
34 any beneficiary of a life or endowment insurance policy or annuity
35 contract for whom the department has a last known address.

36 (5) The mailed notice must contain:

37 (a) A statement that, according to a report filed with the
38 department, property is being held to which the addressee appears
39 entitled; and

1 (b) The name and last known address of the person holding the
2 property and any necessary information regarding the changes of name
3 and last known address of the holder(~~(; and~~

4 ~~(c) A statement that, if satisfactory proof of claim is not~~
5 ~~presented by the owner to the holder by the date specified in the~~
6 ~~published notice, the property will be placed in the custody of the~~
7 ~~department and all further claims must be directed to the department)).~~

8 (6) This section is not applicable to sums payable on travelers
9 checks, money orders, and other written instruments presumed abandoned
10 under RCW 63.29.040.

11 **Sec. 10.** RCW 63.29.220 and 1983 c 179 s 22 are each amended to
12 read as follows:

13 (1) Except as provided in subsections (2) and (3) of this section
14 the department, within (~~(three))~~ five years after the receipt of
15 abandoned property, shall sell it to the highest bidder at public sale
16 in whatever city in the state affords in the judgment of the department
17 the most favorable market for the property involved. The department
18 may decline the highest bid and reoffer the property for sale if in the
19 judgment of the department the bid is insufficient. If in the judgment
20 of the department the probable cost of sale exceeds the value of the
21 property, it need not be offered for sale. Any sale held under this
22 section must be preceded by a single publication of notice, at least
23 three weeks in advance of sale, in a newspaper of general circulation
24 in the county in which the property is to be sold.

25 (2) Securities listed on an established stock exchange must be sold
26 at prices prevailing at the time of sale on the exchange. Other
27 securities may be sold over the counter at prices prevailing at the
28 time of sale or by any other method the department considers advisable.
29 All securities may be sold over the counter at prices prevailing at the
30 time of the sale, or by any other method the department deems
31 advisable.

32 (3) Unless the department considers it to be in the best interest
33 of the state to do otherwise, all securities, other than those presumed
34 abandoned under RCW 63.29.100, delivered to the department must be held
35 for at least one year before being sold.

36 (4) Unless the department considers it to be in the best interest
37 of the state to do otherwise, all securities presumed abandoned under
38 RCW 63.29.100 and delivered to the department must be held for at least

1 three years before being sold. If the department sells any securities
2 delivered pursuant to RCW 63.29.100 before the expiration of the three-
3 year period, any person making a claim pursuant to this chapter before
4 the end of the three-year period is entitled to either the proceeds of
5 the sale of the securities or the market value of the securities at the
6 time the claim is made, whichever amount is greater, less any deduction
7 for fees pursuant to RCW 63.29.230(2). A person making a claim under
8 this chapter after the expiration of this period is entitled to receive
9 either the securities delivered to the department by the holder, if
10 they still remain in the hands of the department, or the proceeds
11 received from sale, less any amounts deducted pursuant to RCW
12 63.29.230(2), but no person has any claim under this chapter against
13 the state, the holder, any transfer agent, registrar, or other person
14 acting for or on behalf of a holder for any appreciation in the value
15 of the property occurring after delivery by the holder to the
16 department.

17 (5) The purchaser of property at any sale conducted by the
18 department pursuant to this chapter takes the property free of all
19 claims of the owner or previous holder thereof and of all persons
20 claiming through or under them. The department shall execute all
21 documents necessary to complete the transfer of ownership.

22 **Sec. 11. RCW 67.70.190 and 1988 c 289 s 802 are each amended to*
23 *read as follows:*

24 *((~~1~~)) Unclaimed prizes shall be retained in the state lottery*
25 *account for the person entitled thereto for one hundred eighty days*
26 *after the drawing in which the prize is won, or after the official end*
27 *of the game for instant prizes. If no claim is made for the prize*
28 *within this time, (~~the prize shall be retained in the state lottery~~*
29 *fund for further use as prizes, except as provided in subsection (2) of*
30 *this section, and all rights to the prize shall be extinguished.*

31 *(~~2~~) During the fiscal year ending June 30, 1989, moneys from*
32 *unclaimed prizes shall be used as follows:*

33 *(a) Fifty percent of the moneys, not exceeding one million dollars,*
34 *shall be deposited quarterly in the general fund.*

35 *(b) The remainder of the moneys shall be retained in the state*
36 *lottery account for further use as prizes)) the prize shall be presumed*

1 abandoned and reported and remitted to the department of revenue under
2 chapter 63.29 RCW.

3 *Sec. 11 was vetoed, see message at end of chapter.

4 *NEW SECTION. Sec. 12. Unredeemed Washington state lottery
5 tickets shall be presumed abandoned if the prizes or tickets remain
6 unclaimed one hundred eighty days after the prize or ticket became
7 payable or distributable.

8 *Sec. 12 was vetoed, see message at end of chapter.

Passed the House April 22, 1993.

Passed the Senate April 15, 1993.

Approved by the Governor May 18, 1993, with the exception of
certain items which were vetoed.

Filed in Office of Secretary of State May 18, 1993.

1 Note: Governor's explanation of partial veto is as follows:

2 "I am returning herewith, without my approval as to sections 1, 3,
3 11, and 12, House Bill No. 1479 entitled:

4 "AN ACT Relating to the administration of the uniform unclaimed
5 property act;"

6 Section 1 through 10 of House Bill No. 1479, as introduced, amended
7 this state's uniform unclaimed property act to clarify the scope and
8 improve the efficiency of the unclaimed property program. I am in full
9 agreement with the intent of all of those amendatory sections.

10 In the legislative process, House Bill No. 1479 was amended (in
11 sections 1, 3, and new sections 11, and 12) to define unclaimed lottery
12 prizes as unclaimed property to be transferred to the Department of
13 Revenue from which it would be deposited in the state General Fund.
14 The Legislature includes \$11 million in its balance sheet from revenue
15 legislation associated with this bill.

16 Unfortunately, lottery unclaimed prizes are not new money that can
17 be added to the balance sheet. The Lottery, under current law and its
18 rules, has properly used unclaimed prizes to provide that part of the
19 cost of purchasing annuities for Lotto jackpots that are unfunded by
20 the distribution of revenues from Lotto sales. Since July 1, 1991, the
21 Lottery has used \$13.7 million of the \$16.7 million obtained from
22 unclaimed prizes to support these costs. The value of the unclaimed
23 prizes ends up reflected in higher Lotto sales and higher jackpots that
24 can be offered because unclaimed prize money is available.

25 If these amendments were enacted, the Lottery could supplement
26 current resources available to support current Lotto jackpot levels by
27 retaining a higher portion of Lotto revenues, thus reducing its state
28 General Fund revenue estimate. It could also adjust downward the
29 current pattern of increases in jackpots when a jackpot is not won,
30 making jackpots self-funding but substantially reducing player interest
31 and reducing Lotto sales. Neither of these options are desirable, and
32 both end up costing the state more than the \$11 million in unclaimed
33 prizes assumed in this bill because of adjustments that would need to

1 be made to the Lottery's contribution to state General Fund revenue
2 forecasts.

3 For this reason, I have vetoed sections 1, 3, 11, and 12 of House
4 Bill No. 1479.

5 With the exception of sections 1, 3, 11, and 12, House Bill No.
6 1479 is approved."