

CERTIFICATION OF ENROLLMENT

HOUSE BILL 2589

Chapter 45, Laws of 1996

54th Legislature
1996 Regular Session

UNCLAIMED PROPERTY--PROCEDURES

EFFECTIVE DATE: 7/1/96

Passed by the House February 8, 1996
Yeas 97 Nays 0

CLYDE BALLARD
**Speaker of the
House of Representatives**

Passed by the Senate February 28, 1996
Yeas 46 Nays 0

JOEL PRITCHARD
President of the Senate

Approved March 13, 1996

MIKE LOWRY
Governor of the State of Washington

CERTIFICATE

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2589** as passed by the House of Representatives and the Senate on the dates hereon set forth.

TIMOTHY A. MARTIN
Chief Clerk

FILED

March 13, 1996 - 1:14 p.m.

**Secretary of State
State of Washington**

HOUSE BILL 2589

Passed Legislature - 1996 Regular Session

State of Washington 54th Legislature 1996 Regular Session

By Representatives B. Thomas, Dickerson and Boldt; by request of
Department of Revenue

Read first time 01/15/96. Referred to Committee on Finance.

1 AN ACT Relating to unclaimed property; amending RCW 63.29.100,
2 63.29.170, 63.29.220, and 63.29.340; and providing an effective date.

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

4 **Sec. 1.** RCW 63.29.100 and 1983 c 179 s 10 are each amended to read
5 as follows:

6 (1) Except as provided in subsections (2) and (5) of this section,
7 stock or other intangible ownership interest in a business association,
8 the existence of which is evidenced by records available to the
9 association, is presumed abandoned and, with respect to the interest,
10 the association is the holder, if a dividend, distribution, or other
11 sum payable as a result of the interest has remained unclaimed by the
12 owner for (~~seven~~) five years and the owner within (~~seven~~) five
13 years has not:

14 (a) Communicated in writing with the association regarding the
15 interest or a dividend, distribution, or other sum payable as a result
16 of the interest; or

17 (b) Otherwise communicated with the association regarding the
18 interest or a dividend, distribution, or other sum payable as a result

1 of the interest, as evidenced by a memorandum or other record on file
2 with the association prepared by an employee of the association.

3 (2) At the expiration of a (~~seven-year~~) five-year period
4 following the failure of the owner to claim a dividend, distribution,
5 or other sum payable to the owner as a result of the interest, the
6 interest is not presumed abandoned unless there have been at least
7 (~~seven~~) five dividends, distributions, or other sums paid during the
8 period, none of which has been claimed by the owner. If (~~seven~~) five
9 dividends, distributions, or other sums are paid during the (~~seven-~~
10 ~~year~~) five-year period, the period leading to a presumption of
11 abandonment commences on the date payment of the first such unclaimed
12 dividend, distribution, or other sum became due and payable. If
13 (~~seven~~) five dividends, distributions, or other sums are not paid
14 during the presumptive period, the period continues to run until there
15 have been (~~seven~~) five dividends, distributions, or other sums that
16 have not been claimed by the owner.

17 (3) The running of the (~~seven-year~~) five-year period of
18 abandonment ceases immediately upon the occurrence of a communication
19 referred to in subsection (1) of this section. If any future dividend,
20 distribution, or other sum payable to the owner as a result of the
21 interest is subsequently not claimed by the owner, a new period of
22 abandonment commences and relates back to the time a subsequent
23 dividend, distribution, or other sum became due and payable.

24 (4) At the time any interest is presumed abandoned under this
25 section, any dividend, distribution, or other sum then held for or
26 owing to the owner as a result of the interest, and not previously
27 presumed abandoned, is presumed abandoned.

28 (5) This chapter shall not apply to any stock or other intangible
29 ownership interest enrolled in a plan that provides for the automatic
30 reinvestment of dividends, distributions, or other sums payable as a
31 result of the interest unless:

32 (a) The records available to the administrator of the plan show,
33 with respect to any intangible ownership interest not enrolled in the
34 reinvestment plan, that the owner has not within (~~seven~~) five years
35 communicated in any manner described in subsection (1) of this section;
36 or

37 (b) Five years have elapsed since the location of the owner became
38 unknown to the association, as evidenced by the return of official
39 shareholder notifications or communications by the postal service as

1 undeliverable, and the owner has not within those five years
2 communicated in any manner described in subsection (1) of this section.
3 The five-year period from the return of official shareholder
4 notifications or communications shall commence from the earlier of the
5 return of the second such mailing or the date the holder discontinues
6 mailings to the shareholder.

7 **Sec. 2.** RCW 63.29.170 and 1993 c 498 s 7 are each amended to read
8 as follows:

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

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

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

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

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

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

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

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

37 (3) If the person holding property presumed abandoned and subject
38 to custody as unclaimed property is a successor to other persons who

1 previously held the property for the apparent owner or the holder has
2 changed his name while holding the property, he shall file with his
3 report all known names and addresses of each previous holder of the
4 property.

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

11 (5) (~~Not more than one hundred twenty days before filing the~~
12 ~~report~~) After May 1, but before August 1, of each year in which a
13 report is required by this section, the holder in possession of
14 property presumed abandoned and subject to custody as unclaimed
15 property under this chapter shall send written notice to the apparent
16 owner at his last known address informing him that the holder is in
17 possession of property subject to this chapter if:

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

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

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

23 **Sec. 3.** RCW 63.29.220 and 1993 c 498 s 10 are each amended to read
24 as follows:

25 (1) Except as provided in subsections (2) (~~and~~) , (3), and (6) of
26 this section the department, within five years after the receipt of
27 abandoned property, shall sell it to the highest bidder at public sale
28 in whatever city in the state affords in the judgment of the department
29 the most favorable market for the property involved. The department
30 may decline the highest bid and reoffer the property for sale if in the
31 judgment of the department the bid is insufficient. If in the judgment
32 of the department the probable cost of sale exceeds the value of the
33 property, it need not be offered for sale. Any sale held under this
34 section must be preceded by a single publication of notice, at least
35 three weeks in advance of sale, in a newspaper of general circulation
36 in the county in which the property is to be sold.

37 (2) Securities listed on an established stock exchange must be sold
38 at prices prevailing at the time of sale on the exchange. Other

1 securities may be sold over the counter at prices prevailing at the
2 time of sale or by any other method the department considers advisable.
3 All securities may be sold over the counter at prices prevailing at the
4 time of the sale, or by any other method the department deems
5 advisable.

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

10 (4) Unless the department considers it to be in the best interest
11 of the state to do otherwise, all securities presumed abandoned under
12 RCW 63.29.100 and delivered to the department must be held for at least
13 three years before being sold. If the department sells any securities
14 delivered pursuant to RCW 63.29.100 before the expiration of the three-
15 year period, any person making a claim pursuant to this chapter before
16 the end of the three-year period is entitled to either the proceeds of
17 the sale of the securities or the market value of the securities at the
18 time the claim is made, whichever amount is greater, less any deduction
19 for fees pursuant to RCW 63.29.230(2). A person making a claim under
20 this chapter after the expiration of this period is entitled to receive
21 either the securities delivered to the department by the holder, if
22 they still remain in the hands of the department, or the proceeds
23 received from sale, less any amounts deducted pursuant to RCW
24 63.29.230(2), but no person has any claim under this chapter against
25 the state, the holder, any transfer agent, registrar, or other person
26 acting for or on behalf of a holder for any appreciation in the value
27 of the property occurring after delivery by the holder to the
28 department.

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

34 (6) The department shall not sell any stock or other intangible
35 ownership interest enrolled in a plan that provides for the automatic
36 reinvestment of dividends, distributions, or other sums payable as a
37 result of the interest.

1 **Sec. 4.** RCW 63.29.340 and 1983 c 179 s 34 are each amended to read
2 as follows:

3 (1) A person who fails to pay or deliver property within the time
4 prescribed by this chapter shall be required to pay to the department
5 interest at the maximum rate permitted under RCW 19.52.020 from the
6 date the property should have been paid or delivered, unless the
7 department finds that the failure to pay or deliver the property within
8 the time prescribed by this chapter was the result of circumstances
9 beyond the person's control sufficient for waiver or cancellation of
10 interest under RCW 82.32.105.

11 (2) A person who willfully fails to render any report, to pay or
12 deliver property, or to perform other duties required under this
13 chapter shall pay a civil penalty of one hundred dollars for each day
14 the report is withheld or the duty is not performed, but not more than
15 five thousand dollars, plus one hundred percent of the value of the
16 property which should have been reported, paid or delivered.

17 (3) A person who willfully refuses after written demand by the
18 department to pay or deliver property to the department as required
19 under this chapter or who enters into a contract to avoid the duties of
20 this chapter is guilty of a gross misdemeanor and upon conviction may
21 be punished by a fine of not more than one thousand dollars or
22 imprisonment for not more than one year, or both.

23 NEW SECTION. **Sec. 5.** This act shall take effect July 1, 1996.

Passed the House February 8, 1996.

Passed the Senate February 28, 1996.

Approved by the Governor March 13, 1996.

Filed in Office of Secretary of State March 13, 1996.