

SENATE BILL REPORT

ESHB 1656

As Reported By Senate Committee On:
Financial Services, Insurance & Housing, March 27, 2003

Title: An act relating to fees for locating unclaimed property.

Brief Description: Modifying fees for locating unclaimed property.

Sponsors: House Committee on Finance (originally sponsored by Representatives Ruderman, Nixon, McIntire and Cairnes).

Brief History:

Committee Activity: Financial Services, Insurance & Housing: 3/20/03, 3/27/03 [DPA].

SENATE COMMITTEE ON FINANCIAL SERVICES, INSURANCE & HOUSING

Majority Report: Do pass as amended.

Signed by Senators Benton, Chair; Winsley, Vice Chair; Keiser, Prentice, Roach and Zarelli.

Staff: Alison Mendiola-Hamilton (786-7576)

Background: Under the Uniform Unclaimed Property Act, if a business possesses abandoned intangible property (or tangible property such as a safety deposit box), the business must give the property to the Department of Revenue (DOR). The department then makes efforts to contact the owner of the abandoned property by publishing a list of owners of abandoned property, mailing letters to owners at their last known address, and maintaining a searchable database on the DOR website. The website lists property worth 0-\$25, \$25-\$75, and over \$75.

The published list must specify the names and last known addresses of owners who have claims of property of at least \$75 in value, although the notice does not specify the exact dollar amount. This list is published twice a year by September 1. If the property is not claimed within five years, it is auctioned to the highest bidder. Proceeds from the auction are deposited into the general fund.

Businesses or individual property finders may receive up to a 5 percent commission for linking a rightful owner with unclaimed property held by DOR. The commission is paid by the owner. There is concern that this 5 percent commission limit may prohibit property-finding businesses from doing business in Washington.

Summary of Amended Bill: The private sector is encouraged to match abandoned property with its rightful owner. A person or business may charge up to a 5 percent commission for finding property within two years of its being delivered to the department. After two years, the permissible commission increases up to 10 percent.

The notice published by DOR must specify which claims are above \$5,000 and if below \$5,000, which claims are above \$75. This notice is published once a year in November.

Amended Bill Compared to Substitute Bill: The original bill increased the commission for property finders to 20 percent. The amended bill lowers the fee to 10 percent.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: The "heir finding" business does not exist in Washington because heir finders are not able to make a living with only a 5 percent commission. This bill unites people with their money. Washington has \$300 million in unclaimed property. Those who are entitled to the money do not know it is out there. Increasing the cap will encourage free enterprise. **NEUTRAL:** The intent section is a restatement of the law. The Department of Revenue does not disclose Social Security numbers, bank account numbers, or credit card numbers for personal privacy issues and to curb fraudulent claims.

Testimony Against: None.

Testified: Representative Ruderman, prime sponsor (pro); Alan Davgherty (pro); Julie Sexton, Dept. of Revenue (concerns).