

# SENATE BILL REPORT

## SB 6162

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As of January 29, 2024

**Title:** An act relating to a penalty for excessive fees for locating abandoned property held by a county.

**Brief Description:** Adding a penalty for excessive fees for locating abandoned property held by a county.

**Sponsors:** Senators Schoesler, Pedersen, Dozier, Keiser and Wellman.

**Brief History:**

**Committee Activity:** Law & Justice: 1/29/24.

**Brief Summary of Bill**

- Prohibits excessive fees for locating or recovering unclaimed property held by a county.

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### SENATE COMMITTEE ON LAW & JUSTICE

**Staff:** Ryan Giannini (786-7285)

**Background:** Unclaimed Property. Enacted in 2022, the Revised Uniform Unclaimed Property Act (RUUPA) repealed and replaced the Uniform Unclaimed Property Act (UUPA), and updated state law governing the process of distribution and processing of unclaimed property.

Property is considered unclaimed after it has been held for a specified period of time and the holder is not able to locate the property owner. Typical unclaimed property includes bank accounts, insurance proceeds, securities, safe deposit box contents, and uncashed checks. Common holders of unclaimed property are banks and financial institutions, businesses, and state and local governments.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

With the exception of local governments holding certain types of unclaimed property, all holders must report and deliver unclaimed property to the Department of Revenue (DOR).

The RUUPA permits an apparent owner of unclaimed property to enter into an agreement with another person or entity for the purposes of locating, delivering, or recovering property held by the DOR. Such an agreement is enforceable only if it meets specified requirements and states the amount or value of the property reasonably expected to be recovered, as computed before and after a fee or other compensation to be paid to the person or entity.

If an agreement to locate and deliver unclaimed property provides for compensation that is unconscionable, the agreement is unenforceable except by the apparent owner. An apparent owner that believes the agreed-upon compensation is unconscionable or the DOR, acting on behalf of an apparent owner, or both, may file an action in superior court to reduce the compensation to the maximum amount that is not unconscionable.

**Summary of Bill:** The RUUPA is amended to include a provision that existed in the repealed UUPA, that prohibits excessive fees for locating or recovering unclaimed property.

It is unlawful for any person to seek or receive any fee in excess of 5 percent of the value of the property or funds returned to the owner as compensation for locating, or purporting to locate:

- any funds held by a county that are proceeds from a foreclosure for delinquent property taxes, assessments, or other liens; or
- funds that are otherwise held by a county because of a person's failure to claim funds held as reimbursement for unowed taxes, fees, and other government charges.

A person who violates the prohibition on excessive fees for locating or recovering unclaimed property held by a county is guilty of a misdemeanor and will be fined or imprisoned for not more than 30 days, or both. The fine must be no less than the fee or charge the person sought, received, or contracted for, and not more than ten times such amount.

A violation of the prohibition on excessive fees is a per se violation of the Consumer Protection Act.

**Appropriation:** None.

**Fiscal Note:** Requested on January 18, 2024.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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