
Finance Committee

HB 1953

Brief Description: Regarding the distribution of unclaimed property to local governments.

Sponsors: Representative Walen.

Brief Summary of Bill

- Adds local governments to owners who can receive unclaimed property paid or delivered by the Department of Revenue without filing a form.
- Requires the Department of Revenue to annually notify local governments of existing unclaimed property paid over by holders.

Hearing Date: 2/24/25

Staff: Kristina King (786-7190).

Background:

Unclaimed Property.

Unclaimed property (UCP) is money or intangible property owed to an individual or business. Property is considered unclaimed after it has been held for a period of time, known as an abandonment period, with no owner contact, and a good faith effort has been made to locate the owner. The dormancy period is generally three years with some exceptions. Once the dormancy period has passed, UCP is turned over to the state to safeguard until it is returned to the owner. Typically, UCP includes bank accounts, insurance proceeds, securities, utility and phone company deposits, uncashed checks, safety deposit box or bank repository contents, and customer or patient credits. Unclaimed property does not include real estate, vehicles, and most other physical property. The Department of Revenue (DOR) oversees UCP and administers the UCP program to seek the rightful owners. Banks, retailers, credit unions, utilities, corporations, insurance companies, and government entities are some of the many sources of UCP. These

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businesses, and others, report UCP annually by October 31 and are typically referred to as "holders."

Any individual or business can search the DOR's UCP system for UCP that the DOR is holding in their name. If they find property in their name, the owner, heir, or claimant, including someone filing for an elder who cannot file on their own, can file a form with the DOR to reclaim the property. In certain circumstances the DOR can pay or deliver UCP to an owner without the owner filing a form.

Summary of Bill:

Local governments are added as owners who can receive the UCP paid or delivered by the DOR without filing a form if the DOR determines the apparent owner is a local government and reasonably believes the local government is entitled to receive it. If the DOR determines an apparent owner is a local government and potentially able to receive UCP without filing a form, the DOR is required to annually notify eligible local governments of existing UCP paid over to the DOR by holders. The notice must include a description of the property, the value of the property, and any associated conditions or restrictions. The DOR may request additional documentation from a local government to establish that the local government is entitled to the property.

Appropriation: None.

Fiscal Note: Requested on February 11, 2025.

Effective Date: The bill takes effect on January 1, 2026.