

FINAL BILL REPORT

SSB 5316

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Synopsis as Enacted

Brief Description: Modifying provisions of the revised uniform unclaimed property act.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Harris, Hasegawa, Krishnadasan and Nobles; by request of Department of Revenue).

Senate Committee on Ways & Means
House Committee on Finance

Background: Unclaimed property (UCP) is monetary assets or tangible property held by an organization, generally a business, that has lost contact with the owner. Property is considered unclaimed after it has been held for a designated period of time with no activity or owner contact, and a good faith effort has been made to locate the owner. The dormancy period is generally three years except for specific time periods set by state law for certain types of property. It is then turned over to the state to safeguard until it is returned to the owner. Typical 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. UCP does not include real estate, vehicles, and most other physical property.

Each year, banks and other businesses turn over UCP to the state. The funds are held in perpetuity until claimed by the rightful owner or heir. For safety deposit box contents, if the owner does not claim the items, the state must sell the contents at public auction within five years. Proceeds from each sale, less any auction and bank fees, are available for the owner to claim indefinitely.

The Department of Revenue (DOR) is the custodian for UCP, and administers a UCP program to find the rightful owners. Certain entities are required to report UCP to DOR, including banking and financial institutions, utilities, businesses, and governments. These businesses, and other entities, report UCP annually by October 31st, and are typically referred to as holders. Any individual or business can search DOR's UCP system for UCP that DOR is holding in their name. If they find property in their name, the owner or

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claimant can file to get their property back. This may include an heir or someone filing for an elder who cannot file on their own.

Holders of UCP are required to give an apparent owner notification that property may be presumed to be abandoned if the property value is more than \$75. The notice must identify the property and its value; advise the owner that the property may be sold by the state; provide instructions for how to prevent the property from being delivered to the state; and set forth a deadline for when action must be taken by the owner to prevent the delivery of the property to the state. The holder is not required to include any confidential information in the notice that can be used to verify the identity of an individual.

Summary: Technical modifications are made to clarify definitions, terms, abandonment periods, and administrative procedures for the UCP program. Changes include:

- excluding government agencies that provide workers' compensation insurance from the insurance company definition;
- adding the term internal revenue code (IRC) and defining the term as the version of the IRC in effect as of the date certain sections of the bill take effect;
- clarifying that the term virtual currency includes cryptocurrency;
- clarifying the abandonment period for municipal bonds held by a government entity;
- changing employee reimbursements from a one-year abandonment period to a three-year abandonment period;
- changing excess proceeds from the sale of self-service storage facility property from a six-month abandonment period to a one-year abandonment period;
- removing a specific required minimum distribution age for individual retirement accounts to conform with current and future changes to the IRC;
- removing a specific date for determining when a stored value card is presumed abandoned;
- clarifying that an owner's activity in one account with a holder is considered an indication of interest in all accounts held by the same business association or financial organization;
- requiring DOR to provide safe deposit box content holders with delivery instructions;
- adding language that expressly authorizes DOR to issue refunds to holders for overpaid property, interest, and penalties and specifying the refund process;
- clarifying circumstances when a six-year or ten-year statute of limitation applies to DOR actions against a holder;
- removing the requirement that DOR wait three years before they sell securities;
- removing the sentence allowing DOR to sell or liquidate a security at the owner's request and pay the net proceeds to the owner; and
- clarifying and making changes to the term holder.

The bill also modifies reporting procedures, lowers the aggregate reporting amount to \$5, and lowers due diligence notification requirements to \$50 for holders of UCP.

The bill also clarifies treatment of prearrangement funeral service contract trusts, changes

due dates, waiting periods, locator fee and confidentiality provisions, and removes an annual report requirement.

Votes on Final Passage:

Senate	49	0
House	90	7

Effective: July 27, 2025

January 1, 2026 (Sections 8, 9, 10, and 12)