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Bill Analysis
Legislative Service Commission

H.B. 520
123rd General Assembly
(As Introduced)

Reps. Wilson, Sulzer, Redfern, Corbin, Pringle, Ogg, Krupinski

BILL SUMMARY

- Limits fees that may be charged for recovering or assisting in the recovery of money in the form of drafts or warrants that were voided but subsequently reissued.
 - Specifies terms of agreements to recover or assist in the recovery of money in the form of drafts or warrants that were voided but subsequently reissued.
 - Provides a criminal penalty for violations.
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CONTENT AND OPERATION

Regulation of assisting in the recovery of funds

(sec. 1349.27)

Similar to the unclaimed funds provision discussed below (see **COMMENT**), the bill makes the recovery of fees in connection with assisting a person to recover *any* money in connection with certain drafts or warrants subject to specified requirements. Specifically, the bill prohibits a person from charging a fee, compensation, commission, or other remuneration to recover or assist in the recovery of money in the form of drafts or warrants that were voided but subsequently reissued, unless it is pursuant to an agreement. The agreement must (1) limit the aggregate fee, compensation, commission, or other remuneration agreed upon, paid directly or indirectly, to not more than 10% of the amount of money recovered and paid to the person to whom the money is owed, and (2) be in writing, signed by the person to whom the money is owed, and disclose the nature and value of the draft or warrant and the amount of money the person will receive after the fee or other remuneration has been subtracted.

Criminal penalty

(sec. 1349.99)

The bill adds that whoever violates the bill's provisions is guilty of a misdemeanor of the first degree for a first offense and of a felony of the fifth degree for each subsequent offense.

Application

(Section 3)

The bill specifies that its provisions apply to agreements to recover money in connection with a draft or warrant that are entered into on or after the bill's effective date.

COMMENT

Under the Unclaimed Funds Law (Chapter 169.), fees charged pursuant to an agreement to assist a person in recovering unclaimed funds are limited, and required terms are specified for agreements to assist in this recovery. Specifically, the fee that may be charged for assisting in the recovery of unclaimed funds is limited to 10% of the amount recovered and paid to the owner of the unclaimed funds. The agreement must be in writing and set forth (1) the nature and value of the unclaimed property, (2) the amount that the owner of the unclaimed funds will receive after deduction of the fee, and (3) the name and address of the person or entity holding the unclaimed funds (sec. 169.13, not in bill).

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	12-14-99	p. 1464

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