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Final Analysis
Legislative Service Commission

Am. S.B. 93
124th General Assembly
(As Passed by the General Assembly)

Sens. Coughlin, Nein, Harris, Randy Gardner

Reps. Young, Buehrer, Reidelbach, Williams, Flowers, Hagan, Cates, Willamowski, Setzer, Barrett, Perry, Cirelli, Hoops

Effective date: *

ACT SUMMARY

- Exempts wages of \$50 or less from the Unclaimed Funds Law.

CONTENT AND OPERATION

Generally, the Unclaimed Funds Law (Chapter 169. of the Revised Code) specifies the types of funds, moneys, deposits, rights to moneys, and other property that constitute "unclaimed funds," requires the holders of such unclaimed funds, after prescribed periods of time, to report and release the funds to the Director of Commerce on behalf of the Division of Unclaimed Funds, and requires the Director to publish notice of the funds in the county of an owner's last known address. Unclaimed funds paid to the Director do not become the property of the state, but rather are held by the state until the owner claims them. (See **COMMENT.**)

The statutory list of what constitutes unclaimed funds formerly included "[a]ny sum payable as wages, salaries, or commissions . . . held or owed by any holder unclaimed for one year from date payable or distributable." The act changes this provision with respect to *wages* that constitute unclaimed funds. Under the act, sums of *\$50 or less* payable as wages are *not* to be considered unclaimed funds. The provision addressing sums payable as salaries or commissions remains unchanged. (Sec. 169.02(N).)

* *The Legislative Service Commission had not received formal notification of the effective date at the time this analysis was prepared. Additionally, the analysis may not reflect action taken by the Governor.*

COMMENT

1. Continuing law generally requires that a holder of unclaimed funds send notice by first class mail to each owner of each item of unclaimed funds *having a value of \$50 or more*. In the case of life insurance policies, the holder also must mail notice to each beneficiary unless the address and the surname of the beneficiary is the same as that of the insured. (Sec. 169.03(D), not in the act.)

The holder must mail the notice to the owner's or beneficiary's last known address as shown by the holder's records. The holder must not report an item of unclaimed funds in the holder's annual report to the Director of Commerce earlier than the 30th day after the notice's mailing. (Sec. 169.03(D), not in the act.)

The notice must (a) set forth the nature and any identifying number, or a description, of the unclaimed funds and the amount appearing on the holder's records as being due the owner or beneficiary and (b) inform the owner or beneficiary that, 30 days after the notice's mailing, the unclaimed funds will be reported to the Director of Commerce (sec. 169.03(D), not in the act).

2. When reporting unclaimed funds to the Director of Commerce, a holder must include the name and last known address of the owner *only if* the item has a value of \$50 or more. Items of unclaimed funds each having a value of less than \$50 are reported by aggregating the value of the items within each category. Consequently, the Division of Unclaimed Funds has no record of ownership for those funds. (Sec. 169.03(A)(2) and (3), not in the act.)

3. "Unclaimed funds" are funds, moneys, deposits, rights to moneys, or intangible property as described in continuing law when, as shown by the records of their holder, the owner has not done any of the following within specified time periods: (a) increased, decreased, or adjusted their amount, (b) assigned, paid premiums on, or encumbered them, (c) presented an appropriate record for their crediting or received payment of them by check, draft, or otherwise, (d) corresponded with their holder concerning them, (e) indicated an interest in or knowledge of them, or (f) transacted business with their holder (sec. 169.01(B)(1), not in the act).

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	04-17-01	p. 289
Reported, S. Finance & Financial Institutions	01-09-02	p. 1291



Passed Senate (26-4)	01-09-02	p.	1293
Reported, H. State Gov't	02-13-02	p.	1398
Passed House (93-1)	04-23-02	pp.	1665-1666

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