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Bill Analysis
Legislative Service Commission

H.B. 282

124th General Assembly
(As Introduced)

Reps. Olman, Hagan, Seitz, Kearns, Gilb, Redfern, Hoops, Carano, Cirelli, Lendrum, Schmidt, Allen, Latta, Setzer, Fessler, Rhine, Barrett, Fedor, Coates, Jolivette, Damschroder, Jones, Roman, Webster

BILL SUMMARY

- Requires that holders of unclaimed funds mail notice of the funds to their owners or beneficiaries at least 90 and 60 days before the funds are reported as unclaimed to the Division of Unclaimed Funds.
- Requires that, if the value of unclaimed funds is \$1,000 or more, the holder make a one-time, additional attempt, at least 30 days prior to reporting the funds to the Division, to notify the owner or other person entitled to the funds.

CONTENT AND OPERATION

Current law

Current law generally requires that a holder of unclaimed funds (see **COMMENT**) 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 so 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).)

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 Division of Unclaimed Funds of the Department of Commerce earlier than the 30th day after the notice's mailing. (Sec. 169.03(D).)

The notice must (1) 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 (2) inform the owner or

beneficiary that, 30 days after the notice's mailing, the unclaimed funds will be reported to the Division of Unclaimed Funds (sec. 169.03(D)).

The mailing of the notice discharges the holder from any further responsibility to give notice to the owner or a beneficiary. But, if there is no address of record for the owner or a beneficiary, the holder has no responsibility for mailing the notice to that person. An officer of the holder apparently must execute verification of the mailing of the notice when making an annual report to the Division of Unclaimed Funds. (Sec. 169.03(D) and (E).)

Changes proposed by the bill

The bill generally requires holders of unclaimed funds having a value of \$50 or more to mail notice of the funds to their owners or beneficiaries *at least 90 days before, and, if necessary, 60 days before*, the funds are reported as unclaimed in an annual report to the Division of Unclaimed Funds. The holders must send the notice by regular mail when it is a 90-day notice and by certified mail when it is a 60-day notice. The notice must be on standardized forms prescribed and provided by the Director of Commerce and generally must contain the same information required by current law. (Sec. 169.03(D)(2) and (3).)

If the value of the unclaimed funds is *\$1,000 or more*, the bill requires the holder to make a *one-time, additional attempt* to notify the owner or other person entitled to the funds *at least 30 days before* reporting them in an annual report to the Division. This attempt must include searching the Internet, making telephone calls to persons reasonably believed to be associated with the owner or other person, contacting relatives or acquaintances reasonably believed to be those of the owner or other person, or taking a similar action. The holder may withdraw up to \$100 from the unclaimed funds as compensation for expenses incurred in making this attempt. The holder must report this withdrawal as part of the annual report. (Sec. 169.03(D)(4).)

The 90-day and 60-day mailing of notice, and, if applicable, the making of the one-time, additional attempt to notify, discharge the holder from any further responsibility to give notice. But, if there is no address of record for the owner or other person entitled to the unclaimed funds, the holder is relieved of any responsibility for the 90-day or 60-day mailing of notice. An officer of the holder apparently must execute verification of the mailing of the 90-day and 60-day notices and, if applicable, of the making of the one-time, additional attempt to notify, when making an annual report to the Division of Unclaimed Funds. (Sec. 169.03(D)(5) and (6) and (E).)

COMMENT

"Unclaimed funds" are moneys, rights to moneys, or intangible property as described in existing law when, as shown by the records of their holder, the owner has not done any of the following within specified time periods: (1) increased, decreased, or adjusted their amount, (2) assigned, paid premiums on, or encumbered them, (3) presented an appropriate record for their crediting or received payment of them by check, draft, or otherwise, (4) corresponded with their holder concerning them, (5) indicated an interest in or knowledge of them, or (6) transacted business with their holder (sec. 169.01(B)(1)).

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	05-31-01	p. 613

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