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Bill Analysis

Legislative Service Commission

H.B. 108

125th General Assembly
(As Introduced)

Reps. Driehaus, Seitz, Redfern, Kearns, Hartnett, Skindell, Niehaus, Distel, Olman, Yates, S. Smith, Schneider, DePiero, Webster, Allen, DeBose, Harwood, Barrett, Raussen, Perry, Cirelli, Raga, Jerse, Domenick, Wilson, Hagan, Mason

BILL SUMMARY

- Requires a holder of unclaimed funds to mail the mandatory notice of their existence to their owners by regular first class mail or certified mail, depending on the value of the funds.
- Authorizes the holder to charge the funds for the mailing of such a notice by certified mail.

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 Director 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 Director of Commerce (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 Director of Commerce. (Sec. 169.03(D) and (E).)

Changes proposed by the bill

The bill requires that a holder of an item of unclaimed funds mail notice of the item to an owner or beneficiary (1) by first class mail if the item has a value of *\$50 or more but less than \$1,000* or (2) by certified mail, return receipt requested, if the item has a value of *\$1,000 or more*. A holder that sends the notice by certified mail, return receipt requested, *may charge* the item of unclaimed funds *up to \$20* for providing that notice. (Sec. 169.03(D).)

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), not in the bill).

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	03-06-03	p. 213

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