REVENUE: Revenue statement issued
FISCAL: Fiscal statement issued

Action:	Do pass the A-engrossed bill
Vote:	4-1-0
Yeas:	Burdick, G. George, Monroe, Deckert
Nays:	Starr
Exc.:	
Prepared By:	Steve Meyer, Economist
Meeting Dates:	5/22, 5/29

WHAT THE BILL DOES: Lowers unclaimed financial property dormancy period from 5 years to 3 years before property is transferred to the unclaimed property account in the Common School Fund. Applies to financial institutions, insurance companies and other holders of intangible equity ownership.   For automatically renewable property, allows owners consent to renew to be indicated by a financial institution sending a statement by first class mail or electronic mail without receiving notice that the statement is undeliverable. Changes notification method from certified mail to first class mail for financial businesses to give notice to the owner of held assets before imposing service charges, stopping interest payments or levying fees.

ISSUES DISCUSSED:
Conforming to the most common dormancy period
Reducing cost of communicating with owners
Having the same dormancy period as neighboring states

EFFECT OF COMMITTEE AMENDMENTS: None.

BACKGROUND:
Holders of unclaimed property must eventually transfer the property to the Department of State Lands for deposit into the unclaimed property account within the Common School Fund. The dormancy period varies for different kinds of property. Changing the dormancy period from 5 years to 3 years for financial property eliminates one dormancy period in the statutes and reduces the time the property holder has to account for the property. When the property is in the unclaimed property account, net earnings are part of the Common School Fund distributed to school districts, but the value of the property is held in trust until reclaimed by the rightful owner.

This summary has not been adopted or officially endorsed by action of the committee.