

HB 2273 STAFF MEASURE SUMMARY

House Committee On Business and Labor

Prepared By: Jan Nordlund, LPRO Analyst

Meeting Dates: 1/30

WHAT THE MEASURE DOES:

Clarifies notice requirement by business to security owner before security is presumed abandoned. Removes exception to presumption of abandonment for securities with automatic dividend reinvestment.

REVENUE: May have revenue impact, but no statement yet issued.

FISCAL: May have fiscal impact, but no statement yet issued.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Current Oregon law requires abandoned securities to be delivered by the business, along with the certificate of ownership, to the Department of State Lands. A security is considered abandoned when a dividend, distribution, or other sum payable has remained unclaimed for three years, the security owner has not communicated with the business for three years from the date the sum was payable, and the business has sent written notices to the owner's last-known address. Once received by the Department of State Lands, the securities are sold to the highest bidder at a public sale. Proceeds from the sale are then deposited into the Common School Fund Account. A person claiming an interest in the unclaimed security may file a claim to the property or to the proceeds from the sale of the property at any time.

House Bill 2273 allows securities with automatically reinvested dividends to be considered abandoned if the same conditions for other securities are met. The measure also clarifies notice requirements before a security is presumed abandoned.