



House of Representatives

General Assembly

File No. 63

February Session, 2006

House Bill No. 5295

House of Representatives, March 21, 2006

The Committee on Banks reported through REP. DOYLE of the 28th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING OUTSTANDING MONEY ORDERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 3-59a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2007*):

3 (a) Any stock or other certificate of ownership, or any dividend,
4 profit, distribution, interest, payment on principal, mineral proceeds or
5 other sum held or owing by a business association for or to a
6 shareholder, certificate holder, member, bondholder or other security
7 holder, or a participating patron of a cooperative, who has not claimed
8 it or corresponded in writing with the business association concerning
9 it within three years after the date prescribed for payment or delivery,
10 is presumed abandoned.

11 (b) Any sum payable on a traveler's check issued or sold in this state
12 on which a business association is directly liable, which has been
13 outstanding for more than fifteen years from the date of its issuance is
14 presumed abandoned, unless the owner has within fifteen years

15 corresponded in writing with the business association concerning it, or
16 otherwise indicated an interest as evidenced by a memorandum on file
17 with such business association.

18 (c) Any sum payable on a money order issued or sold in this state
19 on which a business association is directly liable, which money order
20 has been outstanding for more than seven years from the date of its
21 issuance, is presumed abandoned.

22 [(c)] (d) Any property payable or distributable in the course of a
23 demutualization of an insurance company is presumed abandoned if
24 the property is unclaimed and unpaid three years after the date the
25 property became payable or distributable.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2007	3-59a

BA *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 07 \$	FY 08 \$
Treasurer	GF - Revenue Loss	None	700,000

Note: GF=General Fund

Municipal Impact: None

Explanation

Increasing the dormancy period for non-bank money orders from 3 years to 7 years, beginning 7/1/07, will result in a General Fund revenue loss of \$0.7 million per year from FY 08 to FY 11. The estimate is based on historical data on non-bank money orders escheated to the Office of the State Treasurer (OST).

Currently, non-bank money orders that are unclaimed for more than three years are presumed to be abandoned and are escheated to OST for subsequent transfer to the General Fund as revenue. The transfer of escheats to OST occurs in March for property that is deemed abandoned in the prior calendar year. Assuming that the bill affects all unused non-bank money orders that have not been escheated to OST on or after the 7/1/07 effective date, the revenue loss related to this bill will begin in March 2008.

The Out Years

State Impact:

Agency Affected	Fund-Effect	FY 09 \$	FY 10 \$	FY 11 \$
Treasurer	GF - Revenue Loss	700,000	700,000	700,000

Note: GF=General Fund

Municipal Impact: None

OLR Bill Analysis
HB 5295

AN ACT CONCERNING OUTSTANDING MONEY ORDERS.

SUMMARY:

This bill increases from three to seven years the amount of time that must pass before an outstanding money order issued or sold in Connecticut on which a business association is directly liable is presumed abandoned. Current abandoned property law does not specifically address money orders held by business associations in general. All property that is not specifically addressed is presumed abandoned after three years.

By law, money orders issued by banking and financial organizations are presumed abandoned within three years unless the owner has corresponded in writing with the financial organization or otherwise indicated an interest through prescribed methods. For this reason, the bill applies to money orders issued by any type of business association except financial organizations.

EFFECTIVE DATE: July 1, 2007

BACKGROUND

Business Association

The law defines a business association as a corporation, joint stock company, partnership, unincorporated association, joint venture, limited liability company, business trust, trust company, safe deposit company, financial organization, insurance company, person engaged in the business of operating or controlling a mutual fund, utility or other business entity consisting of one or more persons, whether or not it is for profit.

COMMITTEE ACTION

Banks Committee

Joint Favorable

Yea 18 Nay 0 (03/09/2006)