



Testimony of Maria Greenslade
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Second Injury Fund

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Good afternoon, Senator Coleman, Representative Tong, and members of the Judiciary Committee. Thank you for the opportunity to submit testimony concerning Raised House Bill No. 5533, An Act Concerning the Time Period for Funds to Escheat to the State. My name is Maria Greenslade and [GM1] I am the Assistant Deputy Treasurer for Unclaimed Property and the Second Injury Fund in the Office of State Treasurer Denise L. Nappier.

As drafted Raised Bill No. 5533 will have a negative impact on the General Fund and to Connecticut citizens. This bill recommends increasing the dormancy period for unclaimed property held by banking or financial organizations from three years to seven years.

In 2004, the General Assembly passed legislation that reduced the dormancy period on such properties from seven years to three years. In the ensuing 11 fiscal years (July 1, 2005 through and including June 30, 2015) the Unclaimed Property Division collected \$227 million in abandoned property from banks or financial organizations. This equates to, on average, \$21 million remitted by banks per fiscal year.

Passage of Raised Bill No. 5533 will eliminate the escheatment of unclaimed property from banks until March of 2021. Changing the dormancy period to seven years will require bank accounts to remain dormant for an additional four years before a presumption of abandonment. The General Fund will see a reduction in revenue of approximately \$84 million over the next four years.

More importantly, Connecticut citizens will not be in a position to centrally search and locate forgotten money in a timely manner. Often family members or loved ones pass away leaving money in bank accounts, or a citizen moves from one town/city to the next and does not notify the bank of their move. If this bill passes the consumer will wait seven years before his/her name will be added to the CT Big List.

Additionally, the banking laws allow banks to charge monthly inactivity fees until the account is closed and remitted to the Office of the State Treasurer. Today inactivity

fees are charged for up to 36 months (three year dormancy period). Increasing the dormancy period would allow banks to continue charging such fees for a longer period of time potentially depleting the account. Should Raised House Bill No. 5533 pass, banks will have the ability to charge such fees for up to 84 months. A shorter dormancy period dramatically reduces the likelihood of draining an account making the money available for the rightful owner.

For these reasons the Office of the Treasurer opposes passage of Raised House Bill No. 5533. Thank you for hearing my testimony today.

By way of background, the Unclaimed Property Division at the State Treasurer's Office is responsible for safeguarding assets turned over to the State in accordance with state law, until the rightful owners are located. The primary objective of the unclaimed property program is to reunite rightful owners or heirs with their unclaimed property, which is remitted to the Office of the Treasurer by business entities after the business loses contact with a customer for a period of three to five years.

Examples of unclaimed assets include: savings or checking accounts, uncashed checks, matured certificates of deposit, stocks, bonds or mutual funds, travelers' checks or money orders, and proceeds from life insurance policies.

During Fiscal Year 2015 the Unclaimed Property Division collected \$148 million in unclaimed property. During this same time period the Division returned a total of \$61 million to 17,888 individuals and businesses. The division deposited a net \$69 million into the General Fund.

Since taking office in 1999 Treasurer Nappier's administration has returned more than \$587 million to approximately 274,000 individuals and businesses while depositing a net \$766 million into the General Fund.

As of January 31, 2016 the Treasury's interactive website, CTBigList.com, includes roughly 1.4 million names of individuals and organizations that may be entitled to over \$759 million in unclaimed property. The website features a searchable database – updated with new names weekly – this makes it easy for claimants to find their names.

The Treasury is a central repository for citizens to find their unclaimed money and we actively promote the list to maximize monies returned.