



Treasurer Shawn T. Wooden

TESTIMONY SUBMITTED TO THE GOVERNMENT, ADMINISTRATION AND
ELECTIONS COMMITTEE
MARCH 13, 2019

Senator Flexer, Representative Fox, and members of the Government Administration and Elections Committee, thank you for the opportunity to submit testimony regarding **House Bill 5709**, *An Act Requiring Additional Notification Regarding Abandoned Property*.

The Office of the Treasurer is the legal custodian of unclaimed assets in the state, including 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. The primary objective of the unclaimed property program (UCP) is to reunite rightful owners or heirs with their unclaimed property, which is remitted to the Treasurer by business entities, or "holders," after the business loses contact with a customer for a period of three to five years. As drafted, House Bill 5709 will not further that objective.

Section 1 would require the Treasurer to send a notification letter to each municipality when unclaimed property is received by the State Treasurer from businesses holding unclaimed money. Currently, holders are mandated to mail a first class letter to the municipality at the last known address on the holder's records. This letter alerts the municipality that the money will be transferred to the Office of the Treasurer if they do not contact the holder by a specified date. Unclaimed money transferred to the Treasury only includes the money where such letter was returned as undeliverable or the rightful owner failed to contact the holder. Requiring the state to send an additional letter would be duplicative and require additional resources not currently included in the Governor's proposed budget.

Section 2 of the bill requires the Treasurer to issue a notice of publication electronically and through at least one of the following methods: broadcast by radio, television, in a newspaper, magazine, on a billboard or by mail. In 2015, the General Assembly amended this statute to remove the requirement of publishing in newspapers across the State as a cost saving measure. In October 2014, UCP published more than 54,000 names in newspapers across the state at

a cost of \$239,143. This is approximately \$4.37 per name, and resulted in returning approximately \$125 million to 38,785 rightful owners. After the law changed to allow for only electronic publication, UCP returned \$141 million to 48,086 at a total publishing cost per name of \$.19. Requiring publication beyond electronic methods is not only costly and antiquated, it has proven to be less effective in reuniting owners with their unclaimed property.

Finally, Section 3 removes the ability for a holder to report in the aggregate property valued at less than \$50. This change reflects current practice as most holders maintain their records electronically and have been reporting properties individually regardless of value since 2006. The Treasury has no concerns with this section.

Thank you for the opportunity to comment on **H.B. 5709**. I urge the committee to vote no on the proposed changes to the unclaimed property program.