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## **OLR Bill Analysis**

### **sSB 379**

#### ***AN ACT CONCERNING THE UNCLAIMED PROPERTY PROGRAM.***

#### **SUMMARY**

By law, most property held or owed in this state that remains unclaimed by the owner is presumed abandoned after a specified amount of time passes and escheats to the state as abandoned (or unclaimed) property. This bill makes various changes to these laws. Principally, the bill:

1. expands the range of property the treasurer must publish in his abandoned property notice and changes the notice's required format from a biennial notice posted on the treasurer's website to a searchable list (§ 1);
2. establishes conditions under which the treasurer may pay abandoned property amounts of less than \$2,500 to the property's sole owner without the owner having to have submitted a certified claim for it (§ 2);
3. requires the treasurer to notify certain abandoned property owners, by first-class mail, about the process for verifying their ownership of the property and claiming it (§ 3);
4. shifts the funding source for the abandoned property program's administrative expenses from the General Fund to a new dedicated account (the unclaimed property expenses account) (§ 5);
5. beginning in FY 23, requires the treasurer to transfer at least \$7 million (adjusted annually for inflation) of abandoned property proceeds to this account (§ 5);
6. eliminates the requirement that abandoned property claims be

paid from the General Fund (but does not specify an alternate funding source) (§ 5); and

7. eliminates aggregate reporting of abandoned property valued at less than \$50 (§ 3).

EFFECTIVE DATE: January 1, 2023, except that the unclaimed property expenses account provisions are effective upon passage.

### **SEARCHABLE LIST OF ABANDONED PROPERTY**

Current law requires the treasurer to biennially publish an abandoned property notice on his website and include the property, valued at \$50 or more, that (1) was presumed abandoned and reported or transferred to him during the preceding two calendar years and (2) did not previously appear on the list. The bill instead requires the treasurer to maintain a readily searchable list of all such property, regardless of its value, for which there is sufficient information for him to identify its apparent owner. In doing so, it aligns the statutes to the treasurer's current practice.

As is currently required for the posted notice, the bill requires the searchable list to contain the names and last-known addresses, if any, of anyone reported as an apparent abandoned property owner, and any other information the treasurer adds. The bill also requires the list to include the property's amount and description and the property holder's name and address, rather than a statement that anyone with an interest in the property can receive this information from the treasurer free of charge, as is currently required for the biennial notice.

The bill also makes a conforming change by eliminating a law invalidating any agreement to locate property if it is made within two years of the date the treasurer publishes the notice of abandoned property.

### **AUTOMATIC PAYMENTS OF ABANDONED PROPERTY**

The bill requires the treasurer to automatically pay abandoned property claims valued at less than \$2,500 to individuals if he (1) has determined that the individual is the property's sole owner and (2) is

satisfied that he has this individual's current address. In doing so, it supersedes the existing law requiring anyone claiming an interest in abandoned property to file a certified claim with the treasurer establishing that they are entitled to recover it.

### **NOTICE BY FIRST-CLASS MAIL**

The bill generally requires the treasurer to notify, by first-class mail, each person (1) reported as the apparent owner of abandoned property during the preceding calendar year and (2) for whom the holder reported a last-known address. The notice must include the property's amount and description and how the owner may verify ownership and claim it. The bill excludes from this notification requirement anyone paid, or who will be paid, an automatic payment as described above.

### **INTEREST**

The bill requires the treasurer to pay interest on any claims for property, funds, or money delivered to him on or after January 1, 2023. Under current law, the treasurer must pay interest only on claims for (1) demand or savings deposits in this state and (2) matured time deposits made in this state.

As under current law, the interest rate must at least equal the deposit index the banking commissioner sets annually, and it accrues from the date it is paid or delivered to the treasurer to the date it is paid or delivered to the claimant. However, it is unclear how the treasurer can calculate interest on certain types of abandoned property that do not have a cash value when they are paid or delivered to him (e.g., securities, ownership interests in a business, and safe deposit box contents).

### **AGGREGATE REPORTING**

The bill eliminates provisions requiring anyone holding property presumed abandoned to aggregate report items valued at less than \$50. It also eliminates the treasurer's authority to approve aggregate reporting of 200 or more items if each item is valued at less than \$50 and the cost of reporting the items would be disproportionate to the amounts involved. It repeals a related provision requiring property

holders who make this aggregate reporting election to assume responsibility for any valid claim presented for these items for 20 years.

### **UNCLAIMED PROPERTY EXPENSES ACCOUNT**

The bill establishes the unclaimed property expenses account as a separate, nonlapsing General Fund account and requires that it contain any money the law requires to be deposited in it. The treasurer must use the account's funds to pay the abandoned property program's administrative expenses, including any marketing costs incurred.

For FY 23, the bill requires the treasurer to deposit at least \$7 million into the account from abandoned property reported or transferred to him in the preceding fiscal year. Beginning in FY 24, he must deposit the amount from the preceding fiscal year, adjusted for any change in the consumer price index for all urban consumers for that year (published by the U.S. Department of Labor's Bureau of Labor Statistics). He must determine this adjusted amount within 30 days after the end of the preceding fiscal year.

### **BACKGROUND**

#### ***Related Bill***

HB 5460, favorably reported by the Government Administration and Elections Committee, (1) expands the types of property the state treasurer must publish in the abandoned property notice to include property of any value, rather than just property valued at \$50 or more, and (2) eliminates the requirement that anyone holding property presumed abandoned aggregately report items valued at less than \$50.

### **COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 51 Nay 0 (04/06/2022)