

SS HCS HB 1075 -- UNCLAIMED PROPERTY

This bill changes the laws regarding unclaimed property.

A United States savings bond in possession of the State Treasurer or with an owner whose last known address is located in Missouri must be deemed abandoned when it has remained unclaimed for more than three years after its maturity date and must escheat to the state three years after abandonment. At least 180 days after the bond escheats to the state, the State Treasurer must bring a civil action to confirm that the bond must escheat to the state. The State Treasurer must retain a record of the name and, if known, the last known address of each person named on the savings bond that has escheated to the State of Missouri and which has been redeemed by the State Treasurer.

Currently, certain unclaimed personal property that is held or owing in the ordinary course of business is considered abandoned after seven years and is to be delivered to the state. The bill specifies that any outstanding check, draft, credit balance, customer's overpayment, or unidentified remittance issued to a business entity or association as part of a commercial transaction in the ordinary course of business cannot be presumed abandoned if the holder and the business have an ongoing business relationship.

Beginning January 1, 2015, the abandonment period for a payroll check is reduced from five years to three years.

The bill specifies that business credits between two business entities or associations are not subject to Sections 447.500 - 447.595, RSMo, the Uniform Disposition of Unclaimed Property Act. The term "business credit" is defined as any credit offered by one business entity to another business entity to be applied in exchange for goods or services but does not have a redeemable cash value.

The State Treasurer must not enforce the provisions of Chapter 447 relating to lost and unclaimed property for a reportable period more than three years after the holder of the property filed a report with the State Treasurer or gave express notice of a dispute to the State Treasurer. If a fraudulent report is filed with the intent to evade escheatment of property, the State Treasurer can enforce these provisions within six years after the report was filed. If no report is filed, the State Treasurer may enforce these provisions at any time.

The bill creates a statute of limitations for enforcement actions of three years from when a report is filed or when notified of a dispute. That limit is extended to six years if a fraudulent

report is filed. Any holder who files a report that is aggrieved by a decision of the State Treasurer must be entitled to an administrative hearing.

When any holder who has filed a report under Section 447.539, regarding abandoned property, is aggrieved by a decision of the State Treasurer, he or she must be entitled to an administrative hearing under the provisions of Chapter 536 and the proceedings instituted by him or her must be deemed a contested case.

The provisions of the bill regarding U.S. savings bonds contain an emergency clause.