

HCS HB 401 -- UNCLAIMED PROPERTY

SPONSOR: Franz (Diehl)

COMMITTEE ACTION: Voted "do pass" by the Committee on General Laws by a vote of 13 to 0.

This substitute 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 as specified in the substitute.

Beginning January 1, 2012, the abandonment period for a payroll check is reduced from five years to three years. Business credits between two business entities or associations will not be subject to Sections 447.500 - 447.595, RSMo, the Uniform Disposition of Unclaimed Property Act.

The State Treasurer must not enforce the provisions of Chapter 447 relating to lost and unclaimed property 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.

FISCAL NOTE: Estimated Net Effect on General Revenue Fund of an income of \$0 in FY 2012, a cost of \$1,000,000 to \$3,000,000 in FY 2013, and a cost of \$1,000,000 to \$3,000,000 in FY 2014. No impact on Other State Funds in FY 2012, FY 2013, and FY 2014.

PROPOSERS: Supporters say that the current process of including business transactions in the definition of "unclaimed property" creates burdensome business and accounting records. The bill will make the state more business friendly.

Testifying for the bill were Representative Diehl; Missouri Chamber of Commerce and Industry; and Missouri Retailers Association.

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that it is important to be business friendly while still protecting consumers. This is the intent of the compromise reached in the bill.

Testifying on the bill was Office of the State Treasurer.