

STATE AFFAIRS COMMITTEE
December 18, 1967

Present were Chairman Taylor; Vice Chairman, Unruh; and Messrs. Brown, Andrews, Jelinek, Buchele, Bunten, Boyer, Doyen, Ford, Kessinger, Lindahl, McCray, McGill, Woodworth, Mikesic, Rogers and Turner.

The meeting was called to order by the Chairman who stated that the matter under consideration was HB 1480, dealing with unclaimed property. Mr. Carman of the Revisor's office was present, along with Dr. John Howe of Washburn Law School, to discuss the proposal. Mr. Carman distributed a proposal, explaining that it was similar to the bill introduced last year, but that it has been worked over and seeks to fill the gaps in the present statutes. He explained that it is difficult to predict what this might mean to the state so far as abandoned property is concerned; that it would affect banks and insurance companies more than any other group.

Dr. Howe stated that this proposal comes very close to the uniform unclaimed property act recommended by the Interstate Cooperation Committee; that oil companies, banks, insurance companies and concerns where there is a large employee turnover would be the most affected; that he couldn't predict how much money might be realized because banks won't tell how many abandoned accounts they have. He stated that he believed the Controller would be the appropriate person to administer this proposal; that Mr. Harold Given, former acting Controller was familiar with this matter and also, Mr. Cobler the new Controller. Mr. Given stated that under present statutes on unclaimed warrants, they are held for two years and then the money is transferred back into the general fund; that in the last three years, \$4,667.83 went back into the general fund. It was reiterated that this proposal deals only with abandoned property; that it was the intent that the state should pick up the windfall rather than some individual.

Mr. Woodworth inquired about wilful conversion and Mr. Carman stated that criminally converted property is not abandoned property and isn't dealt with in this proposal. Mr. Lindahl inquired who is responsible for reporting these accounts, and Mr. Carman advised that it is the holder. Mr. Carman explained that sections 11, 12, 13 & 14 cover the procedure the administrator should go through--i.e. making report, paying money in, efforts to locate the individual, and then determination is made on this basis. He stated that a fund of \$25,000 would be set up to cover claims and protect the right of any litigants. He pointed out that Section 10 deals with reciprocity between the states; that 16 states have at this point adopted this uniform law.

Mr. Turner expressed concern that this might affect everyone and wondered if it could be limited to financial institutions and insurance companies. Mr. Carman expressed the opinion that it might be better to limit the amounts, and in this way it is almost certain to be large businesses and banking institutions.

The Chairman asked the four lawyers on the committee to look the proposal over and be prepared to make recommendations. The committee is Phil Woodworth, Chairman; Dick Rogers, Jack Turner and Jim Buchele.

Meeting was adjourned.