

MINUTES OF THE HOUSE COMMITTEE ON INSURANCE.

The meeting was called to order by Chairperson Rep. Robert Tomlinson at 3:38 p.m. on January 27, 2000 in Room 527-S of the Capitol.

All members were present except: Representative Hummerickhouse

Committee staff present: Dr. Bill Wolff, Research
Ken Wilke, Revisor
Mary Best, Secretary

Conferees appearing before the committee: Dennis Wilson, Kansas State Treasures Office
Shirley Moses, Kansas Dept. of Accounts & Reports

Others attending: See attached Committee Guest List

With the Committee called to order, Chairperson Tomlinson called for the approval of January 11th & 18th Minutes. The motion was made to accept the Minutes by Representative Cox. Representative Kirk seconded the motion. The Committee voted unanimously to accept the Minutes as they were.

HB 2648- Unclaimed property; canceled state warrants

With this business aside, the Chair introduced **HB 2648**. Mr. Dennis Wilson, Director of Unclaimed Property, offered Proponent Testimony to the Committee. Mr. Wilson offered two separate documents (Attachment #1 & 2) which are attached hereto and incorporated into the Minutes by reference. The #2 attachment is a tri-fold brochure from the State Treasurer's office.

Mr. Wilson testified the State Treasurer's Office felt it was time for come changes to the unclaimed property law, and were bringing the proposed changes before the committee. They also felt the proposed changes would be helpful in clarifying the current law where interpretation is important.

Mr. Wilson reminded the committee, that last year, he requested the committee and the Senate committee to bring all of our state agencies under the Unclaimed Property law. He also stated that everyone "thought they had done just that". He continued to inform the committee that the language was changed in the wrong Statute.

Mr. Wilson requested funds be moved from Canceled Warrant Fund to Unclaimed Property Claims Fund, then eliminate "the process of processing claims to canceled warrants through the Director of Accounts and Reports." Mr. Wilson also took the committee through Section 7 of K.S.A. 1998 Supp. 58-3939 (currently found in K.S.A. 1998 Supp. 58-3939 (a) (1), (2), (3)) now found in K.S.A. 1999 Supp. 58-3935, for language they have cleaned up. He then continued on to explain the changes and where they appear now, and how these sections plus the wording in Section 5 and Section 10 affect their office performs their duties to the public. Mr. Wilson also addressed the subject of heir finders and the fees they charge. Mr. Wilson then stood for questions.

Questions were posed by Representatives Boston, Myers, McCreary, Burroughs, Chairman Tomlinson and revisor Wilke. Questions ranged from "How is this department funded to the handling of property, securities found in lock boxes, and the time allowed to revert this type of property to cash". Mr. Wilson also introduced Scott Gates, Council for the Treasurer Office.

With no further questions for Mr. Wilson, Ms. Shirley Moses, Director of Accounts and Reports, presented Proponent Testimony to the committee. A copy of the written testimony (Attachment #3) is attached herein and incorporated into the Minutes by reference. Ms. Moses supported the proposed bill presented by Mr. Wilson.

Ms. Moses informed the committee that presently, "canceled warrants may only be claimed within five years from the original date of issuance", she further stated, "there is no notification process or public access to canceled warrants without a written request, and a reissuance fee is imposed, equal to 10% of the original warrant amount or about \$15.00". Ms. Moses feels in the current form the bill would allow a "clean separation of duties between the two offices". Ms. Moses also informed the committee Accounts and Reports would not be held responsible for research and any payments of approximately 270 warrants each year, nor would they be required to submit a report of all claims to select legislative committees each year.

Ms. Moses completed her presentation and stood for questions. There were no questions. Dr. Wolff addressed fees. Further research is needed on players and their duties. With this the public hearings on **HB 2648** were closed.

Chairperson Tomlinson alerted the committee the State Health Care System would be appearing on the calendar and to watch for it. With the request for old or new business, Representative Kirk mad a motion to introduce a bill regarding mental health insurance, the motion was seconded by Representative Showalter, vote was taken and the motion passed.

Meeting was adjourned at 4:21 p. m.

The next meeting will be held Tuesday February 3rd.

HOUSE INSURANCE COMMITTEE GUEST LIST

DATE: January 27, 2000

NAME	REPRESENTING
DENNIS WILSON	STATE TREASURER
Scott + Gates	KS. Dept. of Admin
Neysa Thomas	State Treasurers Office
Ray Dalton	KS Dept of Social & Rehab Svc's
Carrie Pomoran	KHAIFA
Mark Goodwin	Hein & Weir
Shirley Moses	Dir K ₁ H & R
Dale Brunton	✓ ✓



STATE OF KANSAS

Tim Shallenburger
TREASURER

900 SW JACKSON ST, SUITE 201
TOPEKA, KANSAS 66612-1235

TELEPHONE
(785) 296-3171

January 27, 2000

Chairman Tomlinson
House Insurance Committee

RE: HB 2648

Mr. Chairman and Committee Members:

Thank you for allowing the State Treasurer's office this time to explain some changes to the unclaimed property law. These changes will be very helpful in clarifying the current law in cases where interpretation is important.

Last year, I asked this committee and the Senate committee to bring all of our state agencies under the Unclaimed Property law, you and I thought we had done just that. Unfortunately, we did not change the language within the correct Statute. On page 1, starting in section 1, of this bill we are asking you to move the funds from the Canceled Warrant Fund to the Unclaimed Property Claims Fund and abolished the process for processing claims to canceled warrants through the Director of Accounts and Reports.

In Section 7, we cleaned up some language which should have been stricken from K.S.A. 1998 Supp. 58-3939 when the uniform act was passed last year. The items which are currently found covered by K.S.A. 1998 Supp. 58-3939 (a) (1), (2), and (3) are currently found in K.S.A. 1999 Supp. 58-3935. The revisions in Section 7 strike this duplicated language and retain subsection (a) (4) and (5) allowing a holder to keep property which would be presumed abandoned if the holder has other property for the apparent owner. This section also saves language from the current version of K.S.A. 1998 Supp. 58-3939 (c) postponing the time of delivery of property in the order to avoid a penalty or the forfeiture of interest. Lastly the language formerly in K.S.A. 1998 Supp. 58-3939 (d) is stricken because it has been moved to the current version of K.S.A. 58-3939 (f).

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In Section 5, it requires the Treasurer to sell all securities within one year after they are delivered to the treasurer. This eliminates the discretion previously found in K.S.A. 58-3955.

In Section 10, it gives the Treasurer the discretion to require heir finders to produce an agreement signed by a claimant before the Treasurer will release any information concerning unclaimed property to the heir finder. This simply codifies our current policy on this issue.

Thank you for this opportunity and I will be glad to stand for questions.

Dennis Wilson
Director of Unclaimed Property

Place
Stamp
Here

Tim Shallenburger, State Treasurer
Unclaimed Property Division
900 SW Jackson, Suite 201
Topeka, KS 66612-1235

Dear fellow Kansan:

Each year, the Kansas State Treasurer's Office acquires millions of dollars in unclaimed property that belongs to Kansans or citizens of other states who have done business in Kansas. Some of this property could be yours, and I have made it a priority to return unclaimed property to its rightful owners.

Our goal is to ensure that all unclaimed properties under Kansas law are reported in a timely manner and to reunite those properties with their lawful owners by promoting educational and public awareness programs.

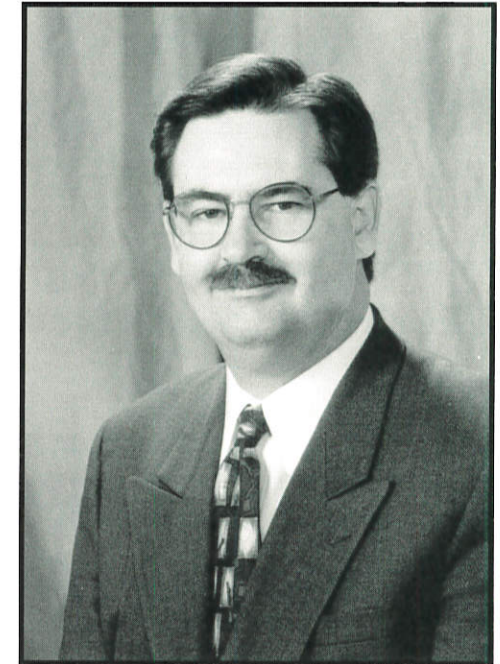
Please take a moment to inquire about your missing funds or personal items by contacting the Unclaimed Property Division at 900 SW Jackson, Suite 200, Topeka, KS 66612-1235. Or call us toll-free at 1-800-432-0386 (in Topeka call 913-296-4165.) Or search our web site at <http://kansasstatetreasurer.com>.



Tim Shallenburger
State Treasurer

**Kansas Cash
Connection**

At SE Law Center
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4-27-01



Tim Shallenburger
State Treasurer

**UNCLAIMED PROPERTY
STATE OF KANSAS**

FREQUENTLY ASKED QUESTIONS

Q *What is unclaimed property?*

A Unclaimed property consists of many types of intangible personal property held by the state that has been unclaimed by its rightful owner. Common types of unclaimed property include:

- inactive savings and checking accounts
- uncashed checks
- stock shares, bonds and dividend checks
- insurance proceeds
- wages
- mineral royalties
- utility deposits
- safe deposit box contents

Q *Who turns unclaimed property over to the state?*

A All businesses, as well as state and local governments, that have held the property for a specified period of time and cannot locate the rightful owner.

Q *What happens to unclaimed property after it is turned over to the state?*

A The state serves as a permanent custodian of the property until the rightful owner is found. All the money is held in the state general fund for the benefit of all citizens of Kansas.

Q *What are the responsibilities of the state in handling unclaimed property?*

A State Treasurer Tim Shallenburger is committed to actively seeking the rightful owners of unclaimed property by public notice and special events, such as television telethons. In addition, any individual may search the unclaimed property database at the State Treasurer's booth at the Kansas State Fair in Hutchinson each fall.

Q *How can I find out if either my family or I have any forgotten property in the State of Kansas?*

A You can go to the State Treasurer's web site and look up as many names as you like, or call 1-800-432-0386, or simply write the State Treasurer's Unclaimed Property Division and we will help you.

Q *Do I pay a fee to get my property back?*

A No! If we are holding your property, you do not have to pay a fee or service charge to get it back. If you are contacted by any individual or firm offering to return unclaimed property to you for a fee, be aware that you can claim the property yourself directly from the State Treasurer without paying a fee to anyone.

Is the State of Kansas
holding some of **your**
unclaimed property?

To find out if you or a deceased relative of whom you are an heir has unclaimed property at the Treasurer's Office, call us at the phone number on the back of this brochure, access our web site, or complete the following form and mail it to the address on the reverse side.

NAME _____

ADDRESS _____

SOCIAL SECURITY # _____

DAYTIME PHONE # _____

PREVIOUS ADDRESSES IN KANSAS:

IF YOU ARE AN HEIR, ALSO INCLUDE
DECEASED RELATIVE'S NAME AND
FORMER ADDRESSES

**TESTIMONY BEFORE THE
HOUSE COMMITTEE ON INSURANCE
January 27, 2000, 3:30 p.m., Room 527-S**

Presented by Shirley A. Moses, Director of Accounts and Reports

Chairman, Members of the Committee:

I am providing testimony today on behalf of the Department of Administration in support of House Bill 2648, proposed to transfer canceled state warrants to unclaimed property and eliminate a report that is no longer of value to recipients.

House Bill 2648 defines state warrants not cashed within one year from issuance, referred to as "canceled" warrants, as unclaimed property rather than claims against the state. This represents good public policy by providing an unlimited time for a warrant payee to claim ownership, providing a more publicized forum for owners to discover the property and eliminating the warrant reissuance fee. Currently, canceled warrants may only be claimed within five years from the original date of issuance, there is no notification process or public access to canceled warrants without a written request, and a reissuance fee is imposed, equal to the greater of 10% of the original warrant amount or \$15.

The Division of Accounts and Reports has conferred with the State Treasurer's Office. The bill, in its current form, would allow a clean separation of duties between the two offices. The Division of Accounts and Reports would no longer be responsible for the research and payment of an average of 270 canceled warrant claims each year, nor be required to annually submit to select legislative committees a report of all claims. The report is proposed to be made available only upon request of any legislator or legislative committee. Legislative staff confirmed that this report is not currently reviewed or used. Any modifications to the bill that would require work effort by both the Division of Accounts and Reports and the State Treasurer to make payment on canceled warrants and report claims, would require me to withdraw my support of the proposal. Although the number of annual hours assigned to the present process is relatively low, estimated at 130 hours, dividing responsibilities for this function between the two agencies could easily result in an increased number of hours by Division staff and create an inefficient process.

Thank you for the opportunity to provide testimony before the Committee and for your consideration of House Bill 2648. I would be happy to address any questions that the Committee may have.

Shirley A. Moses
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