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MEMORANDUM

To: Chairman DeGraaf and members of the House Financial Institutions Committee
From: Matt Sterling, Assistant Revisor of Statutes
Date: February 12, 2013
Subject: House Bill 2139

HB 2139 concerns several statutes on cancelled warrants and the procedures for holding those funds. A cancelled warrant is another term for a cancelled check. It is a written order to pay that instructs the state or municipal government treasurer to pay the warrant holder on demand or after a maturity date. If these warrants, or checks, are left unclaimed, then there is a procedure for dealing with the funds.

Under current law, K.S.A. 10-811 requires that state checks are cancelled after one year. The funds are then placed in the cancelled warrants fund pursuant to K.S.A. 10-812. Under current law, K.S.A. 10-815 and 10-816 specifically exclude cities and counties from the Disposition of Unclaimed Property Act, thus they are not required to turn over unclaimed checks to the state general fund. The bill would amend K.S.A 10-811 to abolish the cancelled warrants fund, transfer the balance to the state general fund, and to treat cancelled warrants as unclaimed property. The bill also repeals 10-812, 10-815, 10-816 and 46-921.

The amendments to K.S.A. 46-913 and 46-924 would eliminate the time limitations for an individual to claim an unclaimed check. K.S.A. 58-3974 is amended to remove the exception for K.S.A. 10-815 from the requirements of the unclaimed property act, making unclaimed checks subject to the act, and remaining consistent with the other changes in the bill.

Attachment 3
FI 2-12-13