

## CHAPTER 385.

[ S. B. 311. ]

## UNCLAIMED PERSONAL PROPERTY.

AN ACT relating to unclaimed personal property held by banking organizations, business associations, financial organizations, life insurance corporations, utilities, and certain others; providing that its custody be transferred to the state; providing for its return to the true owner; creating a trust fund for payment of claims and expenses; providing penalties and repealing sections 30.20.040 and 30.20.050, chapter 33, Laws of 1955 and RCW 30.20.040 and 30.20.050, and section 1, chapter 90, Laws of 1947, section 2, chapter 70, Laws of 1891 and RCW 63.28.010 and 63.28.020, and section 2, chapter 98, Laws of 1947 and RCW 63.28.030 through 63.28.060.

*Be it enacted by the Legislature of the State of Washington:*

SECTION 1. As used in this act, unless the context otherwise requires: Defined.

(1) "Banking organization" means any bank, trust company, savings bank or land bank engaged in business in this state. "Banking organization."

(2) "Business association" means any corporation (other than a public corporation), joint stock company, business trust, partnership, or any association for business purposes of two or more individuals. "Business association."

(3) "Financial organization" means any savings and loan association, building and loan association, industrial loan company, small loan company, credit union or investment company engaged in business in this state. "Financial organization."

(4) "Holder" means any person in possession of property subject to this act belonging to another, or who is trustee in case of a trust, or is indebted to another on an obligation subject to this act. "Holder."

(5) "Life insurance corporation" means any association or corporation transacting within this state the business of insurance on the lives of persons or insurance appertaining thereto, including, but not by way of limitation, endowments and annuities. "Life insurance corporation."

“Owner.” (6) “Owner” means a depositor in case of a deposit, a beneficiary in case of a trust, or creditor, claimant, or payee in case of other choses in action, or any person having a legal or equitable interest in property subject to this act, or his legal representative.

“Person.” (7) “Person” means any individual, business association, government or political subdivision, public corporation, public authority, estate, trust, two or more persons having a joint or common interest, or any other legal or commercial entity.

“Utility.” (8) “Utility” means any person who owns or operates within this state, for public use, any plant, equipment, property, franchise, or license for the transmission of communications or the production, storage, transmission, sale, delivery, or furnishing of electricity, water, steam, or gas.

Property presumed abandoned. SEC. 2. The following property held or owing by a banking or financial organization is presumed abandoned:

Deposits held twelve years. (1) Any demand, savings, or matured time deposit made in this state with a banking organization, together with any interest or dividend which has accrued thereon, excluding any charges that may lawfully be withheld, unless the owner has, within twelve years:

Conditions excluding abandonment. (a) Increased or decreased the amount of the deposit, or presented the passbook or other similar evidence of the deposit for the crediting of interest; or

(b) Corresponded in writing with the banking organization concerning the deposit; or

(c) Otherwise indicated an interest in the deposit as evidenced by a memorandum on file with the banking organization.

Funds paid toward purchase of interest in financial organization. (2) Any funds paid in this state toward the purchase of shares or other interest in a financial organization or any deposit made therewith in this state,

and any interest or dividend which has accrued thereon, excluding any charges that may lawfully be withheld, unless the owner has within twelve years:

(a) Increased or decreased the amount of the funds or deposit, or presented an appropriate record for the crediting of interest or dividends; or

Conditions  
excluding  
abandonment.

(b) Corresponded in writing with the financial organization concerning the funds or deposit; or

(c) Otherwise indicated an interest in the funds or deposit as evidenced by a memorandum on file with the financial organization.

(3) Any sum payable on checks certified in this state or on written instruments issued in this state on which a banking or financial organization is directly liable, including, by way of illustration but not of limitation, certificates of deposit, drafts, and traveler's checks, that has been outstanding for more than twelve years from the date it was payable, or from the date of its issuance if payable on demand, unless the owner has within twelve years corresponded in writing with the banking or financial organization concerning it, or otherwise indicated an interest as evidenced by a memorandum on file with the banking or financial organization.

Issued written  
instruments  
on which a  
banking or  
financial organization is  
directly liable  
outstanding  
for more than  
twelve years.

Conditions  
excluding  
abandonment.

SEC. 3. (1) Unclaimed funds, as defined in this section, held and owing by a life insurance corporation shall be presumed abandoned if the last known address, according to the records of the corporation, of the person entitled to the funds is within this state. If a person other than the insured or annuitant is entitled to the funds and no address of such person is known to the corporation or if it is not definite and certain from the records of the corporation what person is entitled to the funds, it is presumed that the last known address of the person entitled to the funds is the same as the last known address of the

Unclaimed  
funds held and  
owing by life  
insurance  
company  
presumed  
abandoned.

insured or annuitant according to the records of the corporation.

"Unclaimed funds" defined.

(2) "Unclaimed funds," as used in this section, means all moneys held and owing by any life insurance corporation unclaimed and unpaid for more than seven years after the moneys became due and payable as established from the records of the corporation under any life or endowment insurance policy or annuity contract which has matured or terminated. A life insurance policy not matured by actual proof of the death of the insured is deemed to be matured and the proceeds thereof are deemed to be due and payable if such policy was in force when the insured attained the limiting age under the mortality table on which the reserve is based, unless the person appearing entitled thereto has within the preceding seven years, (a) assigned, readjusted, or paid premiums on the policy, or subjected the policy to loan, or (b) corresponded in writing with the life insurance corporation concerning the policy. Moneys otherwise payable according to the records of the corporation are deemed due and payable although the policy or contract has not been surrendered as required.

Life insurance policy deemed matured.

Funds held and owing by utility presumed abandoned.

SEC. 4. The following funds held or owing by any utility are presumed abandoned:

(1) Any deposit made by a subscriber with a utility to secure payment for, or any sum paid in advance for, utility services to be furnished in this state, less any lawful deductions, that has remained unclaimed by the person appearing on the records of the utility entitled thereto for more than seven years after the termination of the services for which the deposit or advance payment was made.

(2) Any sum which a utility has been ordered to refund and which was received for utility services rendered in this state, together with any interest thereon, less any lawful deductions, that has re-

mained unclaimed by the person appearing on the records of the utility entitled thereto for more than seven years after the date it became payable in accordance with the final determination or order providing for the refund.

SEC. 5. Any stock or other certificate of ownership, or any dividend, profit, distribution, interest, payment on principal, or other sum held or owing by a business association for or to a shareholder, certificate holder, member, bondholder, or other security holder, or a participating patron of a cooperative, who has not claimed it, or corresponded in writing with the business association concerning it, within seven years after the date prescribed for payment or delivery, is presumed abandoned if:

Stock, dividend, profit, etc., held and owing by a business association for a shareholder, etc., presumed abandoned.

(1) It is held or owing by a business association organized under the laws of or created in this state; or

(2) It is held or owing by a business association doing business in this state, but not organized under the laws of or created in this state, and the records of the business association indicate that the last known address of the person entitled thereto is in this state.

SEC. 6. Except as otherwise provided by the laws of this state, all intangible personal property distributable in the course of a voluntary dissolution of a business association, banking organization, or financial organization organized under the laws of or created in this state, that is unclaimed by the owner within two years after the date for final distribution, is presumed abandoned.

Intangible personal property distributable through voluntary dissolution presumed abandoned.

SEC. 7. All intangible personal property and any income or increment which has accrued thereon, held in a fiduciary capacity for the benefit of another person is presumed abandoned unless the owner has, within seven years after it becomes pay-

Intangible personal property held in a fiduciary capacity presumed abandoned.

able or distributable, increased or decreased the principal, accepted payment of principal or income, corresponded in writing concerning the property, or otherwise indicated an interest as evidenced by a memorandum on file with the fiduciary:

(1) If the property is held by a business association, banking organization, or financial organization organized under the laws of or created in this state; or

(2) If it is held by a business association, banking organization, or financial organization doing business in this state, but not organized under the laws of or created in this state, and the records of the business association, banking organization, or financial organization indicate that the last known address of the person entitled thereto is in this state; or

(3) If it is held in this state by any other person.

Intangible personal property held by court, public corporation, etc., presumed abandoned.

SEC. 8. All intangible personal property held for the owner by any court, public corporation, public authority, or public officer of this state, or a political subdivision thereof, that has remained unclaimed by the owner for more than seven years is presumed abandoned.

Intangible personal property held in excess of amount entitled to presumed abandoned.

SEC. 9. All intangible personal property, money, unclaimed funds or any money or funds which are held or retained by any person in excess of the amount he is clearly entitled to hold or retain as provided by law, not otherwise covered by this act, including any income or increment thereon and deducting any lawful charges, that is held or owing in this state in the ordinary course of the holder's business and has remained unclaimed by the owner for more than seven years after it became payable or distributable is presumed abandoned: *Provided, however,* That this section shall not apply to safe deposit companies.

No application.

SEC. 10. If specific property which is subject to the provisions of sections 2, 5, 6, 7, and 9 is held for or owed or distributable to an owner whose last known address is in another state by a holder who is subject to the jurisdiction of that state, the specific property is not presumed abandoned in this state and subject to this act if:

Limitation on presumption of abandonment—owner's last known address in another state.

(1) It may be claimed as abandoned or escheated under the laws of such other state; and

(2) The laws of such other state make reciprocal provision that similar specific property is not presumed abandoned or escheatable by such other state when held for or owed or distributable to an owner whose last known address is within this state by a holder who is subject to the jurisdiction of this state.

SEC. 11. (1) Every person holding funds or other property, tangible or intangible, presumed abandoned under this act shall report to the tax commission with respect to the property as hereinafter provided.

Holder of property presumed abandoned reports to tax commission.

(2) The report shall be in such form as the tax commission may prescribe, and shall include:

Report form and contents.

(a) The name, if known, and last known address, if any, of each person appearing from the records of the holder to be the owner of any property of value of ten dollars or more presumed abandoned under this act;

(b) In case of unclaimed funds of life insurance corporations, the full name of the insured or annuitant and his last known address according to the life insurance corporation's records;

(c) The nature and identifying number, if any, or description of the property and the amount appearing from the records to be due, except that items of value under ten dollars each may be reported in aggregate;

(d) The date when the property became payable, demandable, or returnable, and the date of the last

transaction with the owner with respect to the property; and

(e) Any other information which the tax commission may prescribe as necessary for the administration of this act.

(3) If the person holding property presumed abandoned is a successor to other persons who previously held the property for the owner, or if the holder has changed his name while holding the property, he shall file with his report all prior known names and addresses of each holder of the property.

Filing date for report.

(4) The report shall be filed before November 1st of each year as of June 30th next preceding, but the report of life insurance corporations shall be filed before May 1st of each year as of December 31st next preceding. The tax commission may postpone the reporting date upon written request by any person required to file a report.

Duty with respect to holder as to owner.

(5) If the holder of property presumed abandoned under this act knows the whereabouts of the owner and if the owner's claim has not been barred by the statute of limitations, the holder shall, before filing the annual report, endeavor to communicate with the owner and take reasonable steps to prevent abandonment from being presumed. The mailing of notice to the last known address of the owner by the holder shall constitute compliance with this paragraph and no further act on the part of the holder shall be necessary.

Mailed notice constitutes compliance.

Verification.

(6) Verification, if made by a partnership, shall be executed by a partner; if made by an unincorporated association or private corporation, by an officer; and if made by a public corporation, by its chief fiscal officer.

Publication of notice by tax commission.

SEC. 12. (1) Within one hundred twenty days from the filing of the report required by section 11, the tax commission shall cause notice to be published at least once each week for two successive weeks in

an English language newspaper of general circulation in the county in this state in which is located the last known address of any person to be named in the notice. If no address is listed or if the address is outside this state, the notice shall be published in the county in which the holder of the abandoned property has his principal place of business within this state.

(2) The published notice shall be entitled "Notice of Names of Persons Appearing to be owners of Abandoned Property" and shall contain:

Notice title and contents.

(a) The names in alphabetical order and last known addresses, if any, of persons listed in the report and entitled to notice within the county as hereinbefore specified.

(b) A statement that information concerning the amount or description of the property and the name and address of the holder may be obtained by any persons possessing an interest in the property by addressing an inquiry to the tax commission.

(c) A statement that if proof of claim is not presented by the owner to the holder and if the owner's right to receive the property is not established to the holder's satisfaction within sixty-five days from the date of the second published notice, the abandoned property will be placed not later than eighty-five days after such publication date in the custody of the tax commission.

(3) The tax commission is not required to publish in such notice any item of less than twenty-five dollars unless it deems such publication to be in the public interest.

Necessity of publication.

(4) Within one hundred twenty days from the receipt of the report required by section 11, the tax commission shall mail a notice to each person having an address listed therein who appears to be entitled to property of the value of twenty-five dollars or more presumed abandoned under this act.

Mailed notice to possible recipients.

Notice contents.

(5) The mailed notice shall contain:

(a) A statement that, according to a report filed with the tax commission, property is being held to which the addressee appears entitled.

(b) The name and address of the person holding the property and any necessary information regarding changes of name and address of the holder.

(c) A statement that, if satisfactory proof of claim is not presented by the owner to the holder by the date specified in the published notice the property will be placed in the custody of the tax commission.

Delivery of abandoned property; verified written explanation on failure to deliver.

SEC. 13. (1) Every person who has filed a report as provided by section 11 shall within twenty days after the time specified in section 12 for claiming the property from the holder pay or deliver to the tax commission all abandoned property specified in the report, except that, if the owner establishes his right to receive the abandoned property to the satisfaction of the holder within the time specified in section 12, or if it appears that for some other reason the presumption of abandonment is erroneous, the holder need not pay or deliver the property, which will no longer be presumed abandoned, to the tax commission, but in lieu thereof shall file a verified written explanation of the proof of claim or of the error in the presumption of abandonment.

Prior delivery of goods allowed.

(2) Any person holding property as specified in sections 2 to 9, inclusive, of this act and who has reason to believe that the same is abandoned and that the true owner thereof cannot be located with reasonable diligence and effort, may make his report and deliver such property to the tax commission prior to the expiration of the time provided: *Provided*, That any person holding or retaining unclaimed funds or money or funds in excess of any amount he is clearly entitled to hold or retain as provided by law, and the true owner thereof cannot be

located with reasonable diligence and effort, shall make his report and deliver such property as abandoned property to the tax commission within one year from the date of the receipt or retention thereof. The tax commission shall include information relating to such property in the next publication of like property as provided by section 12 of this act.

Excess funds  
—time re-  
quirement  
on report.

SEC. 14. Upon the payment or delivery of abandoned property to the tax commission, the state shall assume custody and shall be responsible for the safekeeping thereof. Any person who pays or delivers abandoned property to the tax commission under this act is relieved of all liability to the extent of the value of the property so paid or delivered for any claim which then exists or which thereafter may arise or be made in respect to the property, excepting as to any property which is returned to the owner pursuant to subsection (2) of section 19 of this act.

Assumption of  
custody by  
state; relief of  
liability  
of holder.

SEC. 15. (1) Every person who has made a report of property and has delivered such property to the tax commission shall retain for a period of not less than ten years from the date of such delivery all records which would in any way assist in determining the validity of any claim made against the property pursuant to sections 19 and 20 of this act, or may deliver such records to the tax commission (in original form or as reproduced through microfilm or other suitable process, all as designated by the tax commission) at the time of such delivery of property or at any time within such ten year period. After the lapse of ten years such records may be disposed of, but only by forwarding them to the tax commission. Such records may be so retained or forwarded either in original form or as reproduced through microfilm, or as reproduced through other suitable process acceptable to the tax commission. The tax commission may destroy any of such records as in its opinion are not necessary for the proper

Records; re-  
tention or  
delivery.

Method of  
disposal of  
records.

determination of any claim filed against the property, and shall retain all other records for a period of not less than seventy-five years, excepting that they may be disposed of at any time prior to seventy-five years if the likeness thereof is preserved by any process, such as microfilming, which would reduce the bulk thereof.

Disposal of records in event of termination of business.

(2) Any person who is required to retain any records relating to abandoned property as provided in this section and who terminates his business prior to the ten-year period provided, shall deliver such records to his successor, or if there be no successor, he may forward the records to the tax commission.

Forwarding of records upon request.

(3) Any person, or his successor or successors, who is holding any records relating to abandoned property as provided in this section, shall forward such records to the tax commission upon written request.

Rights of owner terminated.

SEC. 16. When property is paid or delivered to the tax commission under this act, the owner is not entitled to receive income or other increments accruing thereafter.

Abandoned property; sale of.

SEC. 17. (1) All abandoned property other than money delivered to the tax commission under this act shall be sold by the tax commission at such time and such place and in such manner as in its judgment will bring the highest return. Neither the tax commission nor any employee thereof shall in any way be held liable to any person for any claimed loss on the sale of such property. The tax commission may decline the highest bid and reoffer the property for sale if it considers the price bid insufficient. It need not offer any property for sale if, in its opinion, the probable cost of sale exceeds the value of the property.

Limitation on liability.

Right to decline bids.

Publication of notice of sale.

(2) Any sale held under this section shall be preceded by a single publication of notice thereof, at least three weeks in advance of sale, in an English

language newspaper of general circulation in the county where the property is to be sold.

(3) The purchaser at any sale conducted by the tax commission pursuant to this act shall receive title to the property purchased, free from all claims of the owner or prior holder thereof and of all persons claiming through or under them. The tax commission shall execute all documents necessary to complete the transfer of title.

Purchaser's title.

SEC. 18. (1) All funds received under this act, including the proceeds from the sale of abandoned property under section 17, shall forthwith be remitted by the tax commission to the state treasurer for deposit in the general fund of the state, except that the tax commission shall retain in a separate trust fund the sum of one hundred thousand dollars from which it shall make prompt payment of claims allowed as hereinafter provided. All funds received under this act after the initial establishment of the said trust fund shall first be used by the tax commission for replenishing the trust fund. The tax commission shall record the name and last known address of each person appearing from the holders' reports to be entitled to the abandoned property and of the name and last known address of each insured person or annuitant, and with respect to each policy or contract listed in the report of a life insurance corporation, its number, and the name of the corporation. This record shall be available for public inspection at all reasonable business hours.

Disposition of funds received under act.

Record of purported owners from holders' report.

Available for public inspection.

(2) The tax commission may pay from the trust fund provided in subsection (1) of this section, any costs of administering this act.

SEC. 19. (1) Any person claiming an interest in any property paid or delivered to the tax commission under this act that was not subsequently adjudged under section 22 of this act to be actually abandoned or escheated may make his claim to such

Right of claim after delivery.

property at any time after it is paid to the tax commission.

Claim to original holder.

(2) Such claim may be made to the person originally holding the property, or to his successor or successors. If such person is satisfied that the claim is valid and that the claimant is the actual and true owner of the property, he shall so certify to the tax commission by written statement attested by him under oath, or in case of a corporation, by two principal officers, or one principal officer and an authorized employee thereof. The determination of the holder that the claimant is the actual and true owner shall, in the absence of fraud, be binding upon the tax commission, and upon receipt of the certificate of the holder to this effect, the tax commission shall forthwith authorize and make payment of the claim or return of the property, or if the property has been sold by the tax commission as provided in section 17 of this act, the amount received from such sale to the owner, or to the holder in the event the owner has assigned the claim to the holder and the certificate of the holder is accompanied by such assignment. In the event the person originally holding the property rejects the claim made against him, the claimant may appeal to the tax commission.

Certified written statement.

Determination binding on tax commission.

Rejected claim; right of appeal.

Claim filed with tax commission; forms.

Rejected claim; right to hearing; written decision.

(3) Any claim to property as provided in this section may be filed directly with the tax commission. Such claim, or any appeal as provided in this section, shall be made on forms prescribed by the tax commission. The tax commission shall consider each claim or appeal filed as soon as practicable and approve or reject it in writing. If the claim or appeal is rejected the claimant may demand a hearing thereon, at which the tax commission shall hear evidence and thereafter issue a written decision. Such decision shall state the substance of the evidence heard, if a transcript is not kept, and shall be a matter of public record.

(4) Upon approval of any claim or appeal by the tax commission it shall authorize payment of the amount thereof or return of the property to the claimant, or if the property has been sold by the tax commission, the amount received from such sale.

Procedure on claim approval.

SEC. 20. Any person aggrieved by a decision of the tax commission or as to whose claim the tax commission has failed to act within ninety days after the filing of the claim, may commence an action in the superior court of Thurston county to establish his claim. The proceeding shall be brought within ninety days after the decision of the tax commission or within one hundred eighty days from the filing of the claim if the tax commission fails to act. The action shall be tried de novo.

Aggrieved claimant may commence action; tried de novo.

SEC. 21. The tax commission, after receiving reports of property deemed abandoned pursuant to this act, may decline to receive any property reported which it deems to have a value less than the cost of giving notice and holding sale, or it may if deemed desirable because of the small sum involved, postpone taking possession until a sufficient sum accumulates.

Right of tax commission to decline receipt of property.

SEC. 22. With regard to any property paid or delivered to the tax commission under this act, the tax commission shall institute escheat proceedings whenever it appears that the owner of such property has died and that no other person is entitled to it: *Provided, however,* That this requirement shall not apply where the amount involved is less than two hundred and fifty dollars, except where in the judgment of the commission such action would be to the advantage of the state.

Escheat proceedings instituted.

Limitation.

SEC. 23. The tax commission may at reasonable times and upon reasonable notice examine the records of any person if it has reason to believe that

Examination of records permitted.

such person has failed to report property that should have been reported pursuant to this act.

Tax commis-  
sion's right  
of action.

SEC. 24. If any person refuses to deliver property to the tax commission as required under this act, it may bring an action in the superior court of the county in which such person resides or has his principal place of business to force payment or delivery of such property.

Penalty on  
failure to  
make reports.

SEC. 25. (1) Any person who wilfully fails or refuses to make any report required under this act may be fined the sum of ten dollars for each day such report is withheld, unless the tax commission has extended the time for making any such report as provided in section 11, subsection (4) of this act.

Penalty on  
failure to  
deliver  
abandoned  
property.

(2) Any person who wilfully refuses to pay or deliver abandoned property to the tax commission as required under this act shall be fined not less than one hundred dollars nor more than one thousand dollars, or imprisoned for not less than five days nor more than six months, or both.

Rules and  
regulations.

SEC. 26. The tax commission is hereby authorized to make necessary rules and regulations to carry out the provisions of this act.

Compensation  
limitation.

SEC. 27. It shall be unlawful for any person to seek or receive from any person or contract with any person for any fee or compensation for locating or purporting to locate any property which he knows has been reported or paid or delivered to the tax commission pursuant to this act, in excess of five percent of the value thereof returned to such owner. Any person violating this section shall be guilty of a misdemeanor and shall be fined not less than the amount of the fee or charge he has sought or received or contracted for, and not more than ten times such amount, or imprisoned for not more than thirty days, or both.

Violation,  
misdemeanor;  
penalty.

SEC. 28. Any information or records required to be furnished to the tax commission as provided in this act shall be confidential and shall not be disclosed to any person excepting the person who furnished the same to the tax commission, and excepting as provided in sections 12 and 18 of this act, or as may be necessary in the proper administration of this act.

Information and records confidential.

SEC. 29. This act shall not apply to any property that has been presumed abandoned or escheated under the laws of another state prior to the effective date of this act.

No application.

SEC. 30. If any provision of this act or if the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

Invalidity.

SEC. 31. This act shall be so construed as to effectuate its general purpose to make uniform the law of those states which enact it.

Uniform law.

SEC. 32. This act may be cited as the Uniform Disposition of Unclaimed Property Act.

Title of act.

SEC. 33. The following acts and parts of acts are hereby repealed:

Repeal.

(1) Sections 30.20.040 and 30.20.050, chapter 33, Laws of 1955 and RCW 30.20.040 and 30.20.050.

(2) Section 1, chapter 90, Laws of 1947, section 2, chapter 70, Laws of 1891 and RCW 63.28.010 and 63.28.020.

(3) Section 2, chapter 98, Laws of 1947 and RCW 63.28.030 through 63.28.060.

Passed the Senate March 6, 1955.

Passed the House March 5, 1955.

Approved by the Governor March 22, 1955.