Honolulu, Hawaii

Fc 4 29, 2008

RE: H.B. No. 2559 H.D. 2

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and Judiciary, to which was referred H.B. No. 2559, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE UNIFORM UNCLAIMED PROPERTY ACT,"

beg leave to report as follows:

The purpose of this bill is to update the Uniform Unclaimed Property Act (Act) to conform to the 1995 version of the Act.

The Commission to Promote Uniform Legislation testified in support of this bill. The Department of Budget and Finance (B&F) supported the intent of this measure.

Your Committees find that, under common law, abandoned personal property was either available to the next person who took possession and control of the property, or otherwise escheated to the State. The original Unclaimed Property Act and its successors changed that traditional approach to one in which the property or proceeds were transferred to the State as a permanent custodian for the owners.

This bill updates existing law, among other things, by:

(1) Clarifying certain jurisdictional issues in response to a United States Supreme Court decision concerning interests in investment securities when an owner's address cannot be ascertained;

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- (2) Clarifying what constitutes unclaimed property by reducing the emphasis placed on the written records of the holder of the property;
- (3) Placing restrictions on the "dormancy" charges that holders may impose;
- (4) Requiring the payment of interest on certain property items; and
- (5) Restricting the ability of third parties to charge service fees to "find" unclaimed property for clients.

This bill, does not, however, change certain features of the current law that were requested by B&F - the administrator of the Unclaimed Property Act.

Your Committees have amended the measure by:

- (1) Requiring the reporting of property that is an interestbearing account;
- (2) Clarifying the notice and publication requirement, to retain certain features that B&F felt were effective in providing notice to property owners;
- (3) Clarifying and limiting the payment of interest by the administrator on interest-bearing property by:
  - (A) Limiting the interest requirement to properties delivered to the administrator after the Act's effective date;
  - (B) Specifying that the interest paid be simple interest; and
  - (C) In any event at no higher a rate than actually earned while in the possession of the administrator;
- (4) Replacing statutory references to the previous version of the Uniform Unclaimed Property Act;
- (5) Changing the effective date from July 1, 2008, to July 1, 2009; and

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(6) Making technical, nonsubstantive amendments for clarity and style.

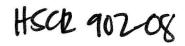
As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2559, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2559, H.D. 2.

Respectfully submitted on behalf of the members of the Committees on Consumer Protection & Commerce and Judiciary,

TOMMY WATERS, Chair

ROBERT N. HERKES, Chair

## State of Hawaii House of Representatives The Twenty-fourth Legislature



## **Record of Votes of the Committee on Consumer Protection & Commerce**

HB2559, HD1 (HSCR421-08) Committe EDB	e Referral: B, CPC/JUD	Referral: CPC/JUD Date: 2/21/08					
☐ The committee is reconsidering its previous decision on the measure.							
The recommendation is to:  □ Pass, unamended (as is) □ Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit)							
CPC Members	Ayes	Ayes (WR)	Nays	Excused			
1. HERKES, Robert N. (C)	1						
2. McKELVEY, Angus L.K. (VC)	₹,			/			
3. EVANS, Cindy	10						
4. GREEN, Josh, M.D.				~			
5. ITO, Ken	<u> </u>						
6. LUKE, Sylvia				·			
7. MORITA, Hermina M.				<u> </u>			
8. SONSON, Alex M.	70 8 3 3 4 10 C 10 A 10 C 10 C 10 C 10 C 10 C 10 C						
9. SOUKI, Joseph M.				Service Servic			
10. TSUJI, Clift							
11. YAMANE, Ryan I.		All Controls	<u> </u>				
12. YAMASHITA, Kyle T.	<u></u>						
13. MARUMOTO, Barbara C.	<b>/</b>						
14. THIELEN, Cynthia							
	7						
2							
TOTAL (14)	9			5			
The recommendation is: Adopted	The recommendation is: Adopted   Not Adopted						
If joint referral, did not support recommendation.  committee acronym(s)							
Vice Chair's or designee's signature:							
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office							

## State of Hawaii House of Representatives The Twenty-fourth Legislature

HSCR 902-08

## Record of Votes of the Committee on Judiciary

Bill/Resolution No.:	Committee Referral:		Date:				
HB2559, HD1 (HSCR421-08) E	O1 (HSCR421-08) EDB, CPC/JUD			2/21/08			
☐ The committee is reconsidering its previous decision on the measure.							
The recommendation is to:  Pass, unamended (as is) Pass, with amendments (HD) 2  Hold							
☐ Pass short form bill with HD to recommit for future public hearing (recommit)							
JUD Members	Ayes	Ayes (WR)	Nays	Excused			
1. WATERS, Tommy (C)							
2. OSHIRO, Blake K. (VC)							
3. EVANS, Cindy							
4. GREEN, Josh, M.D.				~			
5. ITO, Ken							
6. LUKE, Sylvia							
7. McKELVEY, Angus L.K.							
8. MORITA, Hermina M.							
9. SONSON, Alex M.							
10. SOUKI, Joseph M. 11. TSUJI, Clift							
12. YAMANE, Ryan I.							
13. YAMASHITA, Kyle T.							
14. MARUMOTO, Barbara C.							
15. PINE, Kymberly Marcos							
16. THIELEN, Cynthia							
		***************************************					
	*	-					
TOTAL (16)		*:		5			
The recommendation is:  Adopted							
If joint referral, did not support recommendation.  committee acronym(s)							
Vice Chair's or designee's signature:							
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office							