

STAND. COM. REP. NO. 2221

Honolulu, Hawaii

FEB 17 2016

RE: S.B. No. 2619

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 2619 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to require a holder
of unclaimed property to:

- (1) Provide documentation in its report to the Director of Finance that the holder exhausted all known last contact information, including postal or electronic mailing address and telephone number, of the apparent owner; and
- (2) Contact the apparent owner via mail, electronic mail, or telephone no more than six months prior to the holder submitting a report to the Director of Finance.

Your Committee received testimony in support of this measure from the Department of Budget and Finance. Your Committee received testimony in opposition to this measure from the Hawaii Bankers Association and Hawaii Credit Union League.

Your Committee finds that this measure proposes to enhance the steps a holder of unclaimed property must take before such property is reported to the State. However, your Committee has heard the concerns that the proposed requirement for holders of unclaimed property to provide specific documentation to the Director of Finance that the holder exhausted all known last



contact information for apparent owners may be overly burdensome on financial institutions. According to testimony from the Hawaii Bankers Association, financial institution customers may not provide electronic mail addresses or telephone numbers or may not update this information when there is a change. Your Committee understands these concerns and believes that a statement to the Department of Budget and Finance that a holder has complied with contact requirements may be less onerous than specific documentation.

Your Committee further finds that according to testimony heard by your Committee, each financial institution has its own process for escheating unclaimed property to the State. Your Committee concludes that a standard process for contacting apparent owners, which requires holders of unclaimed property to attempt to contact apparent owners in various ways prior to escheating this property to the State, would be beneficial to consumers in Hawaii. Your Committee notes that once unclaimed property has escheated to the State, it is very difficult for consumers to have their property returned.

Accordingly, your Committee has amended this measure by:

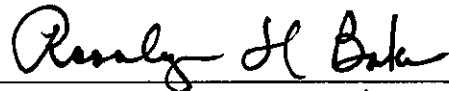
- (1) Requiring a holder of unclaimed property to submit a statement to the Director of Finance that the holder has complied with requirements for contacting an apparent owner, rather than requiring a holder to submit documentation about exhausting all known last contact information of an apparent owner;
- (2) Clarifying that the holder of property valued at \$50 or more and presumed abandoned shall provide notice to an apparent owner by postal address, last known electronic mail address, if known, or last known telephone number, if known; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2619, as amended herein, and recommends that it pass Second Reading in the form attached hereto



as S.B. No. 2619, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Health,



ROSALYN H. BAKER, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 2019</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">CPH, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2-10-16</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
KIDANI, Michelle N. (VC)	/			
ESPERO, Will	/			
IHARA, Jr., Les				/
NISHIHARA, Clarence K.	/			
RUDERMAN, Russell E.				/
SLOM, Sam				/
TOTAL	4			3
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; margin-left: 50px;">Michelle N. Kidani</div>				
<div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div>Distribution:</div> <div>Original</div> <div>Yellow</div> <div>Pink</div> <div>Goldenrod</div> </div> <div style="display: flex; justify-content: space-between; font-size: 0.7em; margin-top: 2px;"> <div>File with Committee Report</div> <div>Clerk's Office</div> <div>Drafting Agency</div> <div>Committee File Copy</div> </div>				

*Only one measure per Record of Votes