

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEES ON CONSUMER PROTECTION & COMMERCE
AND JUDICIARY
ON
HOUSE BILL NO. 2145

January 24, 2008

RELATING TO UNCLAIMED PROPERTY

House Bill No. 2145, allows unclaimed property claimants to submit affidavits affirming that they are the owners of unclaimed property in lieu of documented proof of ownership.

The Department of Budget and Finance is opposed to this bill as it would allow claimants with similar names to claim property solely on the basis of an affidavit when proof of ownership should be required. While we understand and appreciate the intent of the bill, the mission of the unclaimed property program is to return property to its rightful owner. If claimants are not required to provide proof of ownership and the program will be required to accept affidavits as proof of ownership, property may be returned to persons other than the rightful owner. For example, the Program currently holds property for 50 persons named John Smith with differing personal information. A John Smith would be able to submit an affidavit for a number of these properties to which he may not be entitled to.

Claimants currently are required to provide documented proof of ownership to prevent possible abuse. The unclaimed property program currently subscribes to a database comprised of many public records which provides confirmation of previous addresses for owners for up to the previous twenty years, providing many claimants

assistance in providing their documented proof of ownership. When requested, the unclaimed property staff provides suggestions for sources of proof of ownership and has also contacted the companies reporting property to assist owners in proving ownership.

Finally, the bill is unclear as to whether the Director of Finance shall be required to accept an affidavit as proof of ownership or if a claim may be denied even with the submittal of an affidavit. Clarification is requested regarding this language.

Thank you for the opportunity to provide testimony on this bill.