

WRITTEN ONLY

TESTIMONY BY KALBERT K. YOUNG
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STATE OF HAWAII
TO THE SENATE COMMITTEE ON WAYS AND MEANS
SENATE BILL NO. 2748

February 24, 2012

RELATING TO UNCLAIMED PROPERTY

Senate Bill No. 2748 proposes amendments to Section 523A-9, Hawaii Revised Statutes (HRS), to require holders of unclaimed property to remit all property with their November 1st reporting deadline, specifies the maximum fee professional locators may charge, and corrects references to the Unclaimed Property Trust Fund.

The Department of Budget and Finance strongly supports this Administration measure, as it would streamline operations and establish a maximum 10% fee structure for professional unclaimed property locators, as opposed to the current prohibition against “unconscionable” fees.

Section 523A-9, HRS, currently requires reporters of unclaimed property to report all property by November 1st and to remit the property by the following May 1st. The proposed revision would make Hawaii’s law similar to all other states by requiring the reporting and remittance of all property at the same time, by November 1st. Many companies are actually already reporting and remitting their unclaimed property together on the November 1st date, so this change would be consistent with what many companies are already doing.

Section 523A-25, HRS, currently allows a professional locator to charge a fee for the successful return of the property, provided that the amount of the fee is not unconscionable. This term is subject to interpretation and the Director of Finance, as administrator of the unclaimed property program, must determine if a rate is unconscionable. A 2009 survey of the states show a range of fees allowed from 10-30% of the value of the property. The proposed maximum 10% fee will provide both unclaimed property owners and professional locators with a clear and precise fee structure. Also related to the unclaimed property program, this Bill clarifies Section 560:3-1210, HRS, to make it consistent with the current provisions of Chapter 523A, by correcting reference to the unclaimed property fund as the unclaimed property **trust** fund rather than the former unclaimed property general fund.

Thank you for the opportunity to testify on this measure.