

S .B. NO. 2807

JAN 23 2014

A BILL FOR AN ACT

RELATING TO THE UNCLAIMED PROPERTY TRUST FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 523A-26, Hawaii Revised Statutes, is
2 amended by amending subsection (d) to read as follows:

3 "(d) All unencumbered and unexpended moneys in excess of
4 [~~\$1,300,000~~] \$4,000,000 remaining on balance in the unclaimed
5 property trust fund on June 30 of each year shall lapse to the
6 credit of the state general fund."

7 SECTION 2. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 3. This Act shall take effect upon its approval.

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11

INTRODUCED BY:



12

BY REQUEST

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Report Title:

Unclaimed Property Trust Fund

Description:

Amends section 532A-26(d), Hawaii Revised Statutes, to increase unclaimed property trust fund balance at the end of each fiscal year.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Budget and Finance

TITLE: A BILL FOR AN ACT RELATING TO THE UNCLAIMED PROPERTY TRUST FUND

PURPOSE: To increase the Unclaimed Property Trust Fund balance from \$1,300,000 to \$4,000,000 at the end of each fiscal year.

MEANS: Amend section 523A-26(d), Hawaii Revised Statutes ("HRS").

JUSTIFICATION: Currently, section 523A-26(d) requires that all unencumbered and unexpended moneys in excess of \$1,300,000 in the Unclaimed Property Trust Fund as of June 30 of each year be lapsed to the credit of the general fund. The purpose of providing for the balance of \$1,300,000 is to pay claims and administrative expenses of the program until holder deposits are received prior to the due date of November 1 of each year. Upon receipt of the holder deposits, such funds are then used to pay for claims and administrative expenses of the program.

The program has experienced a substantial increase in claims being filed, which has resulted in more claims being paid. In fiscal year 2013 - 2014, approximately \$2,000,000 of claims were paid in the first two months of the fiscal year. This required a temporary loan to fund such claim payments. The increase in the minimum balance to \$4,000,000 will allow the program to continue paying claims to the lawful owners of the funds.

Impact on the public: This will provide a sufficient balance in the fund to pay claims on a timely basis.

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Impact on the department and other agencies:
None.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: n/a

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: Upon approval.