



HF 2296 – Gift Certificates Not Considered Unclaimed Property (LSB 5824HV)
Analyst: Dwayne Ferguson (Phone: (515) 281-6561) (dwayne.ferguson@legis.iowa.gov)
Fiscal Note Version – New

Description

House File 2296 requires gift certificates without an expiration date and with no deductions from the face value for failure of the owner to redeem the certificate in a timely manner to remain in force indefinitely and not become unclaimed property to be turned over to the Treasurer of State.

Background

The **Unclaimed Property Fund** receives money deemed abandoned under Iowa Code **chapter 556** and is used to pay claims to rightful owners as they are identified. The Iowa unclaimed property law requires all holders of property (including financial institutions, business associations, utility companies, and other legal entities) to review their records each year to determine whether they are in possession of any reportable unclaimed property due to the State of Iowa. Utility companies, banks, insurance companies, etc., must report and transfer any money or property that has not been claimed by the original owner to the Treasurer of State. The law also requires businesses to file an annual report and remit the assets to the Unclaimed Property Program of the Iowa Treasurer's Office by before November 1 of each year.

The Treasurer may sell items of unclaimed property after holding them for one year. The Treasurer deposits the unclaimed property and results of sold items into the State General Fund on a quarterly basis. The owner may at any time claim and recover the value of his or her property.

Assumptions

The Treasurer receives an average of \$320,000 of unclaimed gift cards annually from businesses.

Fiscal Impact

Deposits to the State General Fund will be reduced by \$320,000 annually.

Sources

Treasurer of State
Banking Division, Department of Commerce
Credit Union Division, Department of Commerce

/s/ Holly M. Lyons

March 3, 2014

The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
