

McKibben
Lamberti
Flynn

SSB 1078
Ways & Means
Succeeded By
SENATE FILE (SF) HF 526
BY (PROPOSED COMMITTEE ON WAYS
AND MEANS BILL BY
CHAIRPERSON MCKIBBEN)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act excluding certain business property from being considered
2 abandoned property under the state's disposition of unclaimed
3 property law.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 556.1, subsection 9, Code 2001, is
2 amended by adding the following new unnumbered paragraphs:
3 NEW UNNUMBERED PARAGRAPH. "Property" does not include
4 credits, advance payments, overpayments, refunds, or credit
5 memoranda shown on the books and records of a business
6 association with respect to another business association
7 unless the balance is property described in section 556.2 held
8 by a banking organization or financial organization.

9 NEW UNNUMBERED PARAGRAPH. "Property" does not include gift
10 certificates, electronic gift cards, or unrefunded or
11 unclaimed layaway deposits.

12 EXPLANATION

13 This bill makes a change in the state's disposition of
14 unclaimed property law. The bill provides that under the
15 definition of "property" which is subject to the chapter,
16 "property" does not include credits, advance payments,
17 overpayments, refunds, or credit memoranda shown on the books
18 of a business association with respect to another business
19 association unless this type of property is held by a bank or
20 financial institution. In addition, "property" does not
21 include gift certificates, electronic gift cards, or
22 unrefunded or unclaimed layaway deposits.

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Substitute for HF 721
4-26-01
(P. 1599)

FILED APR 17 '01

SENATE FILE 526
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 1078)

Passed Senate, ^(P. 1243) Date 4-23-01 Passed House, ^(P. 1600) Date 4-26-01
Vote: Ayes 32 Nays 17 Vote: Ayes 89 Nays 5

Approved May 21, 2001
^(P. 1375) Re-Annul 4-27-01
Vote 44-4

A BILL FOR

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3 property law.

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SF 526

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17 overpayments, refunds, or credit memoranda shown on the books
18 of a business association with respect to another business
19 association unless this type of property is held by a bank or
20 financial institution. In addition, "property" does not
21 include gift certificates, electronic gift cards, or
22 unrefunded or unclaimed layaway deposits.

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25 SENATE FILE 526

H-1650

26 1 Amend Senate File 526, as passed by the Senate, as
27 2 follows:

28 3 1. Page 1, line 2, by striking the words
29 4 "paragraphs" and inserting the following:
30 5 "paragraph".

31 6 2. Page 1, by striking lines 9 through 11.

By SHOULTZ of Black Hawk

32 H-1650 FILED APRIL 24, 2001

33 *Adopted 4/26/01 (p. 1600)*

SENATE FILE 526

S-3395

- 1 Amend Senate File 526 as follows:
 - 2 1. Page 1, line 2, by striking the word
 - 3 "paragraphs" and inserting the following:
 - 4 "paragraph".
 - 5 2. Page 1, by striking lines 9 through 11.
- By JACK HOLVECK**

S-3395 FILED APRIL 19, 2001

LOST

(P. 1202)

SENATE FILE 526

S-3416

- 1 Amend Senate File 526 as follows:
- 2 1. Page 1, line 6, by inserting before the word
- 3 "with" the following: ", in an amount of less than
- 4 ten dollars,".

By THOMAS FIEGEN

S-3416 FILED APRIL 19, 2001

Lost 4/23/01 (P. 1241)

SENATE FILE 526

S-3417

- 1 Amend Senate File 526 as follows:
- 2 1. Page 1, line 11, by inserting after the word
- 3 "deposits" the following: ", if the amount is less
- 4 than ten dollars".

**By MIKE CONNOLLY
THOMAS FIEGEN**

S-3417 FILED APRIL 19, 2001

4/23/01 Lost

(P. 1242)

**HOUSE AMENDMENT TO
SENATE FILE 526**

S-3558

- 1 Amend Senate File 526, as passed by the Senate, as
- 2 follows:
- 3 1. Page 1, line 2, by striking the words
- 4 "paragraphs" and inserting the following:
- 5 "paragraph".
- 6 2. Page 1, by striking lines 9 through 11.

RECEIVED FROM THE HOUSE

S-3558 FILED APRIL 27, 2001

CONCURRED

(P. 1375)

SENATE FILE 526**S-3418**

1 Amend Senate File 526 as follows:
2 1. Page 1, line 10, by striking the words "
3 electronic gift cards, or" and inserting the
4 following: "and electronic gift cards with expiration
5 dates of more than one year from date of purchase and
6 does not include".
7 2. Page 1, by inserting after line 11, the
8 following:
9 "Sec. ____ . Section 556.9, Code 2001, is amended to
10 read as follows:
11 556.9 MISCELLANEOUS PERSONAL PROPERTY HELD FOR
12 ANOTHER PERSON.
13 All intangible personal property, not otherwise
14 covered by this chapter, including any income or
15 increment thereon and deducting any lawful charges,
16 that is held or owing in this state in the ordinary
17 course of the holder's business and has remained
18 unclaimed by the owner for more than three years after
19 it became payable or distributable is presumed
20 abandoned. However, a gift certificate or electronic
21 gift card with an expiration date of one year or less
22 from the date of purchase is presumed abandoned on the
23 expiration date."

By MARK SHEARER
THOMAS FIEGEN

S-3418 FILED APRIL 19, 2001

lost
4/23/01
(p. 1241)

**SENATE FILE 526
FISCAL NOTE**

A fiscal note for **Senate File 526** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 526 provides for the disposition of unclaimed property by excluding certain property from being considered abandoned property. The property excluded includes business-to-business transactions and also unclaimed business-to-consumer gift certificates, electronic gift cards, or unrefunded or unclaimed layaway deposits. The Bill would be effective July 1, 2001.

ASSUMPTIONS

1. Senate File 526 excludes from the definition of "property," refunds, gift certificates, vendor checks, and credit balances. As of the effective date of the Bill, businesses will no longer turn over to the State money from these items, no matter how long the item has been considered abandoned.
2. During the time period, 1993 through 2000, the State received an average of \$413,000 from the four property classifications. The money is first deposited in the State Unclaimed Property Fund.
3. During the time period, 1997 through 1999, the State received a total of \$24.8 million from all property classifications and returned \$8.7 million to the rightful owners (35.3%).
4. Money remaining in the Unclaimed Property Fund that is not claimed by a rightful owner is transferred to the State General Fund on a periodic basis. Under assumption three above, 64.7% of the \$413,000 annual unclaimed property in these categories would be transferred to the State General Fund.
5. The business-to-business unclaimed property exclusion is projected to have a much lower negative impact on General Fund receipts. However, a specific estimate is not available at this time.

FISCAL IMPACT

Senate File 526 is expected to result in a reduction in General Fund revenues from unclaimed property of \$267,000 annually, due to the exclusion from the definition of "property," refunds, gift certificates, vendor checks, and credit balances.

SOURCE

Iowa Treasurer of State

(LSB 1938SV, JWR)

FILED APRIL 19, 2001

BY DENNIS PROUTY, FISCAL DIRECTOR

**SENATE FILE 526
FISCAL NOTE**

A fiscal note for **Senate File 526 as amended by H-1650** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 526 as amended by H-1650 provides for the disposition of unclaimed property by excluding business-to-business property from being considered abandoned property. The Bill would be effective July 1, 2001.

ASSUMPTIONS

1. As of the effective date of the Bill, businesses will no longer turn over to the State money from business-to-business transactions, no matter how long the item has been considered abandoned.
2. During the time period, 1993 through 2000, the State received an average of \$413,000 from the four property classifications. The money is first deposited in the State Unclaimed Property Fund.
3. During the time period, 1993 through 2000, the State received a total of \$59.5 million from all property classifications and returned \$22.1 million to the rightful owners (37.1%).
4. Money remaining in the Unclaimed Property Fund that is not claimed by a rightful owner is transferred to the State General Fund on a periodic basis. Under assumption three above, 62.9% of the \$413,000 annual unclaimed property in these categories would be transferred to the State General Fund.

FISCAL IMPACT

Senate File 526 as amended by H-1650 is expected to result in a reduction in General Fund revenues from unclaimed property of \$136,000 annually, due to the exclusion from the definition of "property," refunds, gift certificates, vendor checks, and credit balances.

The fiscal impact is based on historic averages for abandoned property reported to the Iowa Treasurer of State from FY 1993 through FY 2000. The amount reported to the Treasurer represents an unknown percentage of the property that should be reported under Iowa law. The fiscal impact does not include potential revenue that could be realized if unclaimed property reporting was more complete.

SOURCE

Iowa Treasurer of State

(LSB 1938sv.2, JWR)

FILED APRIL 25, 2001

BY DENNIS PROUTY, FISCAL DIRECTOR

**SENATE FILE 526
FISCAL NOTE**

A fiscal note for **Senate File 526 as amended by H-1650** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 526 as amended by H-1650 provides for the disposition of unclaimed property by excluding business-to-business property from being considered abandoned property. The Bill would be effective July 1, 2001.

ASSUMPTIONS

1. As of the effective date of the Bill, businesses will no longer turn over to the State money from business-to-business transactions, no matter how long the item has been considered abandoned.
2. During the time period, 1993 through 2000, the State received an average of \$216,000 per year from business-to-business unclaimed property. The money is first deposited in the State Unclaimed Property Fund.
3. During the time period, 1993 through 2000, the State received a total of \$59.5 million from all property classifications and returned \$22.1 million to the rightful owners (37.1%).
4. Money remaining in the Unclaimed Property Fund that is not claimed by a rightful owner is transferred to the State General Fund on a periodic basis. Under assumption three above, 62.9% of the \$216,000 annual unclaimed property in these categories would be transferred to the State General Fund.

FISCAL IMPACT

Senate File 526 as amended by H-1650 is expected to result in a reduction in General Fund revenues from unclaimed property of \$136,000 annually, due to the exclusion of business-to-business transactions from the definition of property.

The fiscal impact is based on historic averages for abandoned property reported to the Iowa Treasurer of State from FY 1993 through FY 2000. The amount reported to the Treasurer represents an unknown percentage of the property that should be reported under Iowa law. The fiscal impact does not include potential revenue that could be realized if unclaimed property reporting was more complete.

SOURCES

Iowa Treasurer of State
Iowa Financial Accounting System (IFAS)

(LSB 1938sv.3, JWR)

FILED APRIL 26, 2001

BY DENNIS PROUTY, FISCAL DIRECTOR

association with respect to another business association unless the balance is property described in section 556.2 held by a banking organization or financial organization.

MARY E. KRAMER
President of the Senate

BRENT SIEGRIST
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 526, Seventy-ninth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved May 21, 2001

THOMAS J. VILSACK
Governor

SENATE FILE 526

AN ACT

EXCLUDING CERTAIN BUSINESS PROPERTY FROM BEING CONSIDERED
ABANDONED PROPERTY UNDER THE STATE'S DISPOSITION OF
UNCLAIMED PROPERTY LAW.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 556.1, subsection 9, Code 2001, is amended by adding the following new unnumbered paragraph:
NEW UNNUMBERED PARAGRAPH. "Property" does not include credits, advance payments, overpayments, refunds, or credit memoranda shown on the books and records of a business