

TESTIMONY  
OF  
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**DEPARTMENT OF STATE LANDS**

On House Bill 4074  
Before the Revenue Committee  
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Good morning, Chairperson Barnhart and members of the Revenue Committee. I am Patrick Tate, Manager of the Unclaimed Property Section of the Department of State Lands (department), and I am here today to testify regarding House Bill 4074. The department has no position on this bill.

I would like to provide an overview of the department's understanding of how the bill would work.

The Uniform Disposition of Unclaimed Property Act is fundamentally a consumer protection law. Every state has a similar unclaimed property law. After a period of owner inactivity, intangible property due Oregonians, such as insurance proceeds, uncashed checks, and securities are reported to State Lands. Most reported property represents a financial asset, but the department does receive a small amount of physical property, primarily the contents of safe deposit boxes.

The Unclaimed Property Unit at the department actively seeks the owners of the reported funds. The names are posted to a searchable online database and sophisticated skip tracing techniques are applied to locate the owner and alert them of their lost assets. The owners, or their heirs, submit a claim with necessary proof of ownership and receive a refund of their assets.

US savings bonds end up reported as part of the contents of a safe deposit box. Safe deposit boxes and similar safekeeping items are reported as unclaimed property two years after the box rent goes delinquent.

Currently, Unclaimed US savings bonds are not reported by the US Treasury and the department is not able to redeem the savings bonds held for owners without taking ownership via escheatment. House Bill 4074 would provide the redemption framework required.

The payee on the savings bond may be different than the owner of the safe deposit box. As a result, the savings bond owner is never posted on the owner search application. Using basic owner location attempts on savings bonds, the department has found that the box owner may be a relative of the savings bond owner or even a family friend who purchased the bond in honor of a new born.

House Bill 4074 would treat US savings bond as a reportable property and allow the department to list them on the online owner search and actively seek out the named owner of the savings bond.

After decades of discussions, state unclaimed property administrators reached agreement with US Treasury on terms that would allow unclaimed US savings bonds held by the states to be redeemed. It requires the state to perform a due process intended to locate the owners of the savings bonds and file notice of escheatment in court. HB 4074 is similar to legislation passed in Kansas, South Carolina and Indiana.

House Bill 4074 allows the agency to redeem fully matured savings bonds and deposit the proceeds to the Common School Fund by escheatment. If the bond owners come back after escheatment they will still be able to reclaim the bond proceeds via a petition process.

Over 2,500 savings bonds, with a matured value over \$900,000 would be immediately available for online posting, due process activities and escheatment if the bill passes. The total inventory currently is 5,207 savings bonds valued at \$1.6 million.

Thank you for the opportunity to testify today. I would be happy to answer any questions.