



Oregon

Kate Brown, Governor

Department of State Lands

775 Summer Street NE, Suite 100
Salem, OR 97301-1279
(503) 986-5200
FAX (503) 378-4844
www.oregon.gov/dsl

February 18, 2019

State Land Board

Chair Chuck Riley
Senate Business and General Government Committee
900 Court St NE
Salem, OR 97301

Kate Brown
Governor

Dennis Richardson
Secretary of State

re: Support of SB454

Tobias Read

Chair Riley and members of the Senate Business and General Government Committee:

State Treasurer

Thank you for considering my support for Senate Bill 454, a proposal to transfer Oregon's Unclaimed Property program from the Department of State Lands to the Oregon State Treasury.

In February 2018, when I was hired by the State Land Board, I was asked to review DSL programs and recommend changes that would keep the Department focused on our core mission: managing state lands for the benefit of Oregonians and their public schools.

Oregon's unclaimed property law requires financial institutions and businesses to send unclaimed funds to the state's Unclaimed Property Program. Until claimed by owners, funds are held safe in the Common School Fund, generating interest earnings to benefit schools. While considering whether the Unclaimed Property program should remain at DSL, we learned the following:

As a best practice, most states house Unclaimed Property programs in their State Treasury office. The responsibilities of State Treasury offices align with the responsibilities of Unclaimed Property programs, which allows for more efficient operations. The public also associates treasuries with oversight of funds, creating a logical link when seeking unclaimed money.

Moving Oregon's Unclaimed Property Program to State Treasury would optimize program performance. Moving DSL's unclaimed property experts to State Treasury would increase the capacity of the program to promptly return funds to owners, and to ensure all unclaimed funds are reported to the state.

Stakeholders support transitioning the Unclaimed Property Program to State Treasury. With the assurance that unclaimed funds would continue generating interest earnings for Oregon schools, stakeholder feedback has been positive regarding a change in program administration.

With these findings in mind, DSL recommended that the State Land Board endorse SB454 and approve the Department's support. The Land Board did so unanimously and also directed the Department to work collaboratively with Treasury to assure a successful transition of Oregon's Unclaimed Property Program if approved by the 2019 Legislative Assembly. This initial collaboration has gone well, which encourages

our assessment that a transfer of the Unclaimed Property program is a sensible approach to managing this program, as well as a direct benefit to Oregonians.

Sincerely,
Vicki L. Walker
Director, Oregon Department of State Lands