

HOLDERS COALITION

VIA EMAIL:

February 25, 2026

The Honorable Representative Boomer Wright (Rep.BoomerWright@oregonlegislature.gov)
The Honorable Representative Cyrus Javadi (Rep.CyrusJavadi@oregonlegislature.gov)
The Honorable Representative Helfrich (Rep.JeffHelfrich@oregonlegislature.gov)
The Honorable Representative Kevin Mannix (Rep.KevinMannix@oregonlegislature.gov)
The Honorable Representative Virgle Osborne (Rep.VirgleOsborne@oregonlegislature.gov)
The Honorable Representative Anna Scharf (Rep.AnnaScharf@oregonlegislature.gov)
The Honorable Representative Ben Bowman (Rep.BenBowman@oregonlegislature.gov)
The Honorable Representative Lucetta Elmer (Rep.LucettaElmer@oregonlegislature.gov)
The Honorable Representative Hai Pham (Rep.HaiPham@oregonlegislature.gov)
The Honorable Representative Darcia Grayber (Rep.DaciaGrayber@oregonlegislature.gov)
The Honorable Representative Jason Kropf (Rep.JasonKropf@oregonlegislature.gov)
The Honorable Representative Alek Skarlatos (Rep.AlekSkarlatos@oregonlegislature.gov)
The Honorable Representative Kim Wallan (Rep.KimWallan@oregonlegislature.gov)

Re: Oregon 2026 House Bill 4075, as amended (“HB 4075”)
Rural Hospital Stabilization Loans from Unclaimed Property Funds

Dear House Sponsors and Rules Committee Members:

We write to request your consideration of HB 4075, which authorizes the Oregon State Treasurer (“Treasurer”) to issue loans to rural hospital for financial stabilization, using up to 20% of the Unclaimed Property and Estates Fund. While we are sympathetic to the plight of rural hospitals, HB 4075’s proposal is problematic at best. This scheme would divert resources from the Treasurer’s office that would erode its ability to accomplish the purpose of the Oregon Uniform Disposition of Unclaimed Property Act: reuniting rightful owners with their property. It is possible that HB 4075 will result in the permanent escheat of funds, which has consistently, and recently, been determined to be unconstitutional by the Federal Courts of Appeal.

The Holders Coalition (“Coalition”) is an affiliation of unclaimed property holders, service providers, and professional trade organizations representing various industries. Through the Coalition, these member organizations collaborate on education, protection of owner property interests, analysis of legislation, regulations and litigation that impact any holder’s ability to comply with state unclaimed property requirements. The Coalition was originally formed to assist in the development of the Uniform Law Commission’s Revised Uniform Unclaimed Property Act of 2016 (“RUUPA”). Since the adoption of RUUPA, the Coalition has continued to provide information on the impacts of unclaimed property measures through testimony and correspondence, offering insight and expertise from legal, compliance, operational, and regulatory perspectives. As such, the goals of the Coalition are aligned with state unclaimed property programs—to return property to rightful owners through consumer and compliance friendly unclaimed property laws and regulations. The Coalition does not believe that HB 4075 protects the interests of rightful owners and is therefore incompatible with the Oregon Uniform Disposition of Property Act. Most concerning is the possibility that HB 4075 will reduce the property returned to Oregon’s rightful owners, whether due to a drain on resources or a loss of the funds required to repay rightful owners.

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Diversion of State Treasurer’s Resources from Its Core Responsibilities

The mandate of the Oregon Uniform Disposition of Property Act¹ (“the Act”) is to protect the property of rightful owners. The Act requires holders to report and remit all presumptively unclaimed property to the Treasurer for safekeeping. The Treasurer preserves the property for the owners and their heirs in perpetuity.² The State, with the Treasury as the designated agency, thus serves as the “custodian” of intangible unclaimed property.³

HB 4075 requires the Treasurer to allocate, manage and oversee up to 20% of the Unclaimed Property and Estates Fund for rural hospital stabilization loans, ensuring compliance with eligibility, application and usage requirements. Under Section 1, subsection 6 of the proposed legislation, the Treasurer is responsible for weighing certain factors in determining whether to issue such a loan and it is assumed that the Treasurer will oversee the payment of principal, interest fees or penalties on the loan. This diverts the Treasurer’s resources from its mandate of reuniting owners with their property. The Treasurer’s office staff may not have the expertise to determine loan eligibility or to manage loans, as banking regulations are rightfully complex, designed to balance the interests of both the borrower and the lender. The intended hospital loans are by definition high-risk and thus require more oversight than those accepted by traditional financial organizations. This is a burden that Oregon’s property owners should not bear.

The Loan Scheme Could Jeopardize Owners’ Unclaimed Property and Result in Permanent Escheat

The funds in question are not state funds. Rather, these funds are held by Oregon as custodian for the rightful owners. As the loans proposed in HB 4075 may be considered “high-risk” the likelihood of default is greater than that of loans made by conventional financial institutions. Default could result in the loss of the funds. Such loss could be considered a dereliction of the Oregon’s custodial duty. If the hospitals do not repay the loans, the Treasurer does not have the funds to return property to Oregon’s rightful owners. This would indisputably be considered a taking without just compensation, which is prohibited under the Oregon Constitution⁴ and the United States Constitution.⁵ The Federal Courts of Appeal have also recently addressed this issue. Of particular note is the Ninth Circuit’s precedential decision in *Garza et al. v. Woods et al.*, noting that “when someone—even the government—possesses property lawfully owned by another without the owner’s consent, an invasion of the owner’s legally protected interest as occurred.”⁶

The Uniform Law Commission (“ULC”) adopted the Revised Uniform Unclaimed Property Act (“RUUPA”) in 2016. The RUUPA, which all Oregon Commissioners voted for, mandates a custodial structure. The National Association of Unclaimed Property Administrators (“NAUPA”) also opposes any permanent escheat.⁷ The

¹ Or. Rev. Stat. Ann. § 98.302 *et seq.*

² *Id.* at § 98.366(1).

³ *Id.* at § 98.304(1).

⁴ Or. Const. art. 1, § 18.

⁵ U.S. Const. amend. V.

⁶ No. 24-1064 (9th Cir. Aug. 25, 2025). *See also* *Hendershot v. Stanton*, No. 25-1682 (6th Cir. Dec. 16, 2025) (finding that Michigan could not extinguish private property rights by statute, even for the limited duration of time where another’s property is in its custody); *Knellinger et al. v. Young et al.*, 134 F.4th 1034 (10th Cir. 2025) (noting that the right to be compensated under the Fifth Amendment arises at the time of the taking); and *Tyler v. Hennepin County*, 598 U.S. 631 (2023) (emphasizing that states cannot sidestep the Takings Clause by statute).

⁷ *See* www.unclaimed.org/policies (“The purpose of unclaimed property laws is to protect the public by ensuring money and property owed to them is returned to them, rather than remaining permanently with financial institutions, business associations, governments, and other entities.”). *See also* *National experts raise red flags about Ohio lawmakers’ plan to*

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concern that owners may not be able to claim their property from the state, expressed by the ULC, NAUPA and the Holders Coalition, has been prescient. For example, the State of Ohio recently enacted a permanent escheat provision over significant opposition. Ohio has since been mired in litigation in state and federal courts since the moment the Governor signed the law and is currently subject to a Temporary Restraining Order.⁸ Similar concerns will no doubt be raised in Oregon if HB 4075 is adopted.

We welcome any questions and the opportunity to discuss HB 4075 further. The Holders' Coalition remains aligned in safeguarding the rights of property owners through fair and practical means.

Respectfully,



Shannon Wild, CAE, CGA
Holders Coalition Administrator

cc'd

Claudia Ciobanu, Trust Property Director - Claudia.Ciobanu@ost.state.or.us

take unclaimed funds, <https://www.news5cleveland.com/news/local-news/thou-shalt-not-steal-national-experts-raise-red-flags-about-ohio-lawmakers-plan-to-take-unclaimed-funds>. (G. Allen Mayer, the chairman of the legal committee for NAUPA, discusses NAUPA's opposition to Ohio's recent legislation to allow for permanent escheatment: "If [NAUPA] had been consulted about this, we could have advised folks in the legislature. ... We're trying to get in touch with them to let them know 'You don't need to do it. Please amend this. And you will save yourself a considerable headache down the line.'").

⁸ See *Bleick, et al., v. Maxfield, et al.*, Case No. 25CV005715 (Franklin County, Ohio, Court of Common Pleas) and *Reid, et al., v. Maxfield, et al.*, Case No. 25CV10760 (Franklin County, Ohio, Court of Common Pleas) (TRO entered Dec. 23, 2025).

600 Highway 169 S., Suite 1101 • St. Louis Park, MN 55426