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Veterans Affairs Committee**

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**Representatives Driehaus, Seitz, Redfern, Kearns, Hartnett, Skindell,
Niehaus, Distel, Olman, Yates, S. Smith, Schneider, DePiero, Webster, Allen,
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Reidelbach, Schmidt, Seaver, Sferra, D. Stewart, J. Stewart, Strahorn,
Widowfield, Woodard
Senators Roberts, Mumper, Schuler, Robert Gardner, Schuring**

A B I L L

To amend section 169.03 of the Revised Code to 1
generally require that notice of unclaimed funds 2
be mailed to owners by holders of the funds either 3
by regular or certified mail depending upon the 4
value of the funds and to authorize charges for 5
certain mailings of notices. 6

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

Section 1. That section 169.03 of the Revised Code be amended 7
to read as follows: 8

Sec. 169.03. (A)(1) Every holder of unclaimed funds and, when 9
requested, every person ~~which~~ that could be the holder of 10
unclaimed funds, under this chapter shall report to the director 11
of commerce with respect to the unclaimed funds as provided in 12

this section. The report shall be verified.	13
(2) With respect to items of unclaimed funds each having a value of fifty dollars or more, the report required under division (A)(1) of this section shall include <u>the following</u> :	14 15 16
(a) The full name, if known, and last known address, if any, of each person appearing from the records of the holder to be the owner of unclaimed funds under this chapter;	17 18 19
(b) In the case of unclaimed funds reported by holders providing life insurance coverage, the full name of the insured or annuitant and beneficiary, if any, and their last known addresses according to such <u>the</u> holder's records;	20 21 22 23
(c) The nature and identifying number, if any, or description of the funds and the amount appearing from the records to be due;	24 25
(d) The date when the funds became payable, demandable, or returnable and the date of the last transaction with the owner with respect to the funds;	26 27 28
(e) Subject to division (I) of this section, the social security number of the owner of the unclaimed funds, if it is available;	29 30 31
(f) <u>If the item of unclaimed funds has a value of one thousand dollars or more and the holder has verified that the last known address as shown by the records of the holder is not accurate as provided in division (D) of this section, a statement that efforts were undertaken by the holder to verify that the address is not accurate. Any verifying documentation shall be maintained by the holder for five years from the date of the report and shall be available upon request to the director or the director's designee.</u>	32 33 34 35 36 37 38 39 40
(g) Other information which <u>that</u> the director prescribes as necessary for the administration of this chapter.	41 42

(3) With respect to items of unclaimed funds each having a value of less than fifty dollars, the report required under division (A)(1) of this section shall include the following:

(a) Each category of items of unclaimed funds as described in section 169.02 of the Revised Code;

(b) The number of items of unclaimed funds within each category;

(c) The aggregated value of the items of unclaimed funds within each category.

(B) If the holder of unclaimed funds is a successor to other organizations that previously held the funds for the owner, or if the holder has changed its name while holding the funds, it shall file with the report all prior known names and addresses and date and state of incorporation or formation of each holder of the funds.

(C) The report shall be filed before the first day of November of each year as of the preceding thirtieth day of June, but the report of holders providing life insurance coverage shall be filed before the first day of May of each year as of the preceding thirty-first day of December. The director may postpone, for good cause shown, the reporting date upon written request by any holder required to file a report.

(D) The holder of unclaimed funds under this chapter shall send notice to each owner of each item of unclaimed funds having a value of fifty dollars or more at the last known address of the owner as shown by the records of the holder before filing the annual report. In case of holders providing life insurance coverage, ~~such~~ this notice shall also be mailed to each beneficiary at the last known address of ~~such~~ the beneficiary as shown by the records of ~~such~~ the holder, except that ~~such~~ the notice to beneficiaries shall not be mailed if ~~such~~ that address

is the same as that of the insured and the surname of the 74
beneficiary is the same as that of the insured. The holder shall 75
not report an item of unclaimed funds earlier than the thirtieth 76
day after the mailing of notice required by this division. 77

~~Such~~ The notice required by this division shall set forth the 78
nature and identifying number, if any, or description of the funds 79
and the amount appearing on the records of the holder to be due 80
the owner or beneficiary, and shall inform the owner or 81
beneficiary that the funds will, thirty days after the mailing of 82
~~such~~ the notice, be reported as unclaimed funds under this 83
chapter. A self-addressed, stamped envelope shall be included with 84
the notice, with instructions that the owner or beneficiary may 85
use ~~such~~ the envelope to inform the holder of the owner's or 86
beneficiary's continued interest in the funds, and, if so informed 87
before the date for making the report to the director, the holder 88
shall not report ~~said~~ the funds to the director. The notice shall 89
be mailed by first class mail if the item of unclaimed funds has a 90
value of fifty dollars or more but less than one thousand dollars 91
and by certified mail, return receipt requested, if the item of 92
unclaimed funds has a value of one thousand dollars or more, 93
unless the holder has verified that the last known address of the 94
owner or beneficiary as shown by the records of the holder is not 95
accurate. For purposes of this section, a holder has verified that 96
the last known address of the owner or beneficiary is not accurate 97
by documenting at least two of the following: 98

(1) The owner or beneficiary failed to respond to a first 99
class mail notice sent to the last known address of the owner or 100
beneficiary. 101

(2) A first class mail notice sent by the holder to the last 102
known address of the owner or beneficiary was returned as 103
undeliverable. 104

(3) An electronic or manual search of available public 105

records failed to confirm that the last known address of the owner 106
or beneficiary is accurate. The holder shall maintain 107
documentation of its search efforts. If a search of public records 108
or databases identifies a more recent address for the owner or 109
beneficiary than the address in the holder's records, the holder 110
shall send notice to the owner or beneficiary at that more recent 111
address in accordance with this section. ~~If~~ 112

A holder that sends a notice by certified mail, return 113
receipt requested, may charge the item of unclaimed funds up to 114
twenty dollars for providing that notice. 115

If there is no address of record for the owner or ~~other~~ 116
~~person entitled to the unclaimed funds~~ beneficiary, the holder is 117
relieved of any responsibility of sending notice, attempting to 118
notify, or notifying the owner or beneficiary. The mailing of 119
notice pursuant to this section shall discharge the holder from 120
any further responsibility to give notice. 121

(E) Verification of the report and of the mailing of notice, 122
where required, shall be executed by an officer of the reporting 123
holder. 124

(F)(1) The director may, at reasonable times and upon 125
reasonable notice, examine or cause to be examined, by auditors of 126
supervisory departments or divisions of the state, the records of 127
any holder to determine compliance with this chapter. 128

(2) Holders shall retain records, designated by the director 129
as applicable to unclaimed funds, for five years beyond the 130
relevant time period provided in section 169.02 of the Revised 131
Code, or until completion of an audit conducted pursuant to 132
division (F) of this section, whichever occurs first. An audit 133
conducted pursuant to division (F) of this section shall not 134
require a holder to make records available for a period of time 135
exceeding the records retention period set forth in division (F) 136

of this section, except for records pertaining to instruments 137
evidencing ownership, or rights to them or funds paid toward the 138
purchase of them, or any dividend, capital credit, profit, 139
distribution, interest, or payment on principal or other sum, held 140
or owed by a holder, including funds deposited with a fiscal agent 141
or fiduciary for payment of them, or pertaining to debt of a 142
publicly traded corporation. Any holder that is audited pursuant 143
to division (F) of this section shall only be required to make 144
available those records that are relevant to an unclaimed funds 145
audit of that holder as prescribed by the director. 146

(3) The director may enter into contracts, pursuant to 147
procedures prescribed by the director, with persons for the sole 148
purpose of examining the records of holders, determining 149
compliance with this chapter, and collecting, taking possession 150
of, and remitting to the department's division of unclaimed funds, 151
in a timely manner, the amounts found and defined as unclaimed. 152
The director shall not enter into such a contract with a person 153
unless the person does all of the following: 154

(a) Agrees to maintain the confidentiality of the records 155
examined, as required under division (F)(4) of this section; 156

(b) Agrees to conduct the audit in accordance with rules 157
adopted under section 169.09 of the Revised Code; 158

(c) Obtains a corporate surety bond issued by a bonding 159
company or insurance company authorized to do business in this 160
state. The bond shall be in favor of the director and in the penal 161
sum determined by the director. The bond shall be for the benefit 162
of any holder of unclaimed funds that is audited by the principal 163
and is injured by the principal's failure to comply with division 164
(F)(3)(a) or (b) of this section. 165

(4) Records audited pursuant to division (F) of this section 166
are confidential, and shall not be disclosed except as required by 167

section 169.06 of the Revised Code or as the director considers 168
necessary in the proper administration of this chapter. 169

(5) If a person with whom the director has entered into a 170
contract pursuant to division (F)(3) of this section intends to 171
conduct, in conjunction with an unclaimed funds audit under this 172
section, an unclaimed funds audit for the purpose of administering 173
another state's unclaimed or abandoned property laws, the person, 174
prior to commencing the audit, shall provide written notice to the 175
director of the person's intent to conduct such an audit, along 176
with documentation evidencing the person's express authorization 177
from the other state to conduct the audit on behalf of that state. 178

(6) Prior to the commencement of an audit conducted pursuant 179
to division (F) of this section, the director shall notify the 180
holder of unclaimed funds of the director's intent to audit the 181
holder's records. If the audit will be conducted in conjunction 182
with an audit for one or more other states, the director shall 183
provide the holder with the name or names of those states. 184

(7) Any holder of unclaimed funds may appeal the findings of 185
an audit conducted pursuant to division (F) of this section to the 186
director. Pursuant to the authority granted by section 169.09 of 187
the Revised Code, the director shall adopt rules establishing 188
procedures for considering such an appeal. 189

(G) All holders shall make sufficient investigation of their 190
records to ensure that the funds reported to the director are 191
unclaimed as set forth in division (B) of section 169.01 and 192
section 169.02 of the Revised Code. 193

(H) The expiration of any period of limitations on or after 194
March 1, 1968, within which a person entitled to any moneys, 195
rights to moneys, or intangible property could have commenced an 196
action or proceeding to obtain ~~the same~~ these items shall not 197
prevent ~~such~~ these items from becoming unclaimed funds or relieve 198

the holder ~~thereof~~ of them of any duty to report and give notice 199
as provided in this section and deliver ~~the same~~ them in the 200
manner provided in section 169.05 of the Revised Code, provided 201
that the holder may comply with ~~the provisions of~~ this section and 202
section 169.05 of the Revised Code with respect to any moneys, 203
rights to moneys, or intangible property as to which the 204
applicable statute of limitations has run prior to March 1, 1968, 205
and in ~~such~~ that event the holder shall be entitled to the 206
protective provisions of section 169.07 of the Revised Code. 207

(I) No social security number contained in a report made 208
pursuant to this section shall be used by the department of 209
commerce for any purpose other than to enable the division of 210
unclaimed funds to carry out the purposes of this chapter and for 211
child support purposes in response to a request made by the office 212
of child support in the department of job and family services made 213
pursuant to section 3123.88 of the Revised Code. 214

Section 2. That existing section 169.03 of the Revised Code 215
is hereby repealed. 216