

BILL ANALYSIS

H.B. 826
By: Davis, Yvonne
Economic Development
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The unclaimed property law, originally passed by the Texas Legislature in 1961, requires financial institutions, businesses, and government entities to report the state wages they are holding that are considered abandoned or unclaimed. The Comptroller of Public Accounts is responsible for administering the Texas Unclaimed Property Program. Property is turned over to the Comptroller's office annually when the owner's whereabouts are unknown and the property has been inactive on the books of the reporting company between three and five years. The Comptroller's office acts only as custodian for the missing owners, holding the property in trust until it is claimed; Texas never takes legal ownership of the property to become general revenues. HB 826 reduces the "Dormancy period" of wages less than or equal to \$100 to six months and to three years for wages greater than \$100.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Workforce Commission in SECTION 1 (Section 61.104 , Labor Code) of this bill.

ANALYSIS

HB 826 amends the Labor Code to add Subchapter G relating to the disposition of unclaimed wages.

HB 826 provides that wages less than or equal to \$100 are presumed abandoned if not claimed within six months and that wages greater than \$100 are assumed abandoned if not claimed within three years.

HB 826 provides that an employer or former employer who retains unclaimed wages presumed abandoned under this subchapter is a "holder" and must dispose the unclaimed wages in the manner prescribed by Chapter 74, Property Code.

HB 826 requires the commission to provide notice to employers of the requirements of this subchapter.

HB 826 amends the Property Code to add property presumed abandoned under Subchapter G of the Labor Code to which Chapter 74 of the Property Code applies.

EFFECTIVE DATE

September 1, 2003.