

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Raney, Fallon, Guerra

H.B. No. 1454

A BILL TO BE ENTITLED

AN ACT

relating to notice, reporting, and records requirements for holders of certain personal property that is or may be presumed abandoned.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 72, Property Code, is amended by adding Section 72.1021 to read as follows:

Sec. 72.1021. SHARES OF MUTUAL FUND; DESIGNATION OF REPRESENTATIVE FOR NOTICE. (a) The owner of shares of a mutual fund may designate the name and a mailing or e-mail address of a representative of the owner only for the purpose of receiving the notice required by Section 74.1011. The owner is not required to designate a representative under this subsection.

(b) The comptroller shall prescribe a form that a holder of shares of a mutual fund may make available to an owner of the shares to designate a representative for notice under this section.

(c) A representative for notice designated under this section does not have any rights to the mutual fund shares and may not access the shares.

(d) The running of the three-year period of abandonment under Section 72.101 ceases immediately if a representative designated under this section communicates to the holder that the representative knows:

(1) the owner's location; and

(2) that the owner exists and has not abandoned the

1 shares of the mutual fund.

2 SECTION 2. Subchapter B, Chapter 73, Property Code, is  
3 amended by adding Section 73.103 to read as follows:

4 Sec. 73.103. DESIGNATION OF REPRESENTATIVE FOR NOTICE. (a)  
5 The depositor of an account or the owner of the contents of a safe  
6 deposit box may designate the name and a mailing or e-mail address  
7 of a representative of the depositor or the owner only for the  
8 purpose of receiving the notice required by Section 74.1011. The  
9 depositor or owner is not required to designate a representative  
10 under this subsection.

11 (b) The comptroller shall prescribe a form that a holder of  
12 an account or the contents of a safe deposit box may make available  
13 to a depositor of the account or owner of the contents of the box to  
14 designate a representative for notice under this section.

15 (c) A representative for notice designated under this  
16 section does not have any rights to the account or safe deposit box  
17 and may not access the account or box.

18 (d) The running of a period of abandonment under Section  
19 73.101 ceases immediately if a representative designated under this  
20 section communicates to the holder that the representative knows:

- 21 (1) the depositor's or owner's location; and  
22 (2) that the depositor or owner exists and has not  
23 abandoned the account or the contents of a safe deposit box.

24 SECTION 3. Section 74.101(c), Property Code, is amended to  
25 read as follows:

26 (c) The property report must include, if known by the  
27 holder:

1           (1) the name, social security number, driver's license  
2 or state identification number, e-mail address, and [~~the~~] last  
3 known address of:

4           (A) each person who, from the records of the  
5 holder of the property, appears to be the owner of the property; or

6           (B) any person who is entitled to the property;

7           (2) the name and last known mailing or e-mail address  
8 of any person designated as a representative for notice under  
9 Section 72.1021 or 73.103;

10          (3) a description of the property, the identification  
11 number, if any, and, if appropriate, a balance of each account,  
12 except as provided by Subsection (d);

13          (4) [~~(3)~~] the date that the property became payable,  
14 demandable, or returnable;

15          (5) [~~(4)~~] the date of the last transaction with the  
16 owner concerning the property; and

17          (6) [~~(5)~~] other information that the comptroller by  
18 rule requires to be disclosed as necessary for the administration  
19 of this chapter.

20          SECTION 4. Section 74.1011, Property Code, is amended by  
21 adding Subsection (b-1) to read as follows:

22          (b-1) If an owner has designated a representative for notice  
23 under Section 72.1021 or 73.103, the holder shall mail or e-mail the  
24 written notice required under Subsection (a) to the representative  
25 in addition to mailing the notice to the owner.

26          SECTION 5. Section 74.103(a), Property Code, is amended to  
27 read as follows:

1           (a) A holder required to file a property report under  
2 Section 74.101 shall keep a record of:

3                   (1) the name, the social security number, if known,  
4 and the last known address of each person who, from the records of  
5 the holder of the property, appears to be the owner of the property;

6                   (2) the name and last known mailing or e-mail address  
7 of any representative for notice designated under Section 72.1021  
8 or 73.103;

9                   (3) a brief description of the property, including the  
10 identification number, if any; and

11                   (4) (4) [~~(3)~~] the balance of each account, if appropriate.

12           SECTION 6. This Act takes effect January 1, 2016.

ADOPTED

MAY 22 2015

*Lotay Spaw*  
Secretary of the Senate

By: \_\_\_\_\_ .B. No. \_\_\_\_\_

Substitute the following for \_\_\_\_\_ .B. No. \_\_\_\_\_:

By: *Sam Huffman* C.S.H.B. No. 1454

A BILL TO BE ENTITLED

AN ACT

1 relating to property that is or may be presumed abandoned.

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

3 SECTION 1. Subchapter B, Chapter 72, Property Code, is  
4 amended by adding Section 72.1021 to read as follows:

5 Sec. 72.1021. SHARES OF MUTUAL FUND; DESIGNATION OF  
6 REPRESENTATIVE FOR NOTICE. (a) The owner of shares of a mutual fund  
7 may designate the name and a mailing or e-mail address of a  
8 representative of the owner only for the purpose of receiving the  
9 notice required by Section 74.1011. The owner is not required to  
10 designate a representative under this subsection.

11 (b) The comptroller shall prescribe a form that a holder of  
12 shares of a mutual fund may make available to an owner of the shares  
13 to designate a representative for notice under this section.

14 (c) A representative for notice designated under this  
15 section does not have any rights to the mutual fund shares and may  
16 not access the shares.

17 (d) The running of the three-year period of abandonment  
18 under Section 72.101 ceases immediately if a representative  
19 designated under this section communicates to the holder that the  
20 representative knows:

21 (1) the owner's location; and

22 (2) that the owner exists and has not abandoned the  
23 shares of the mutual fund.

1 SECTION 2. Subchapter B, Chapter 73, Property Code, is  
2 amended by adding Section 73.103 to read as follows:

3 Sec. 73.103. DESIGNATION OF REPRESENTATIVE FOR NOTICE. (a)  
4 The depositor of an account or the owner of the contents of a safe  
5 deposit box may designate the name and a mailing or e-mail address  
6 of a representative of the depositor or the owner only for the  
7 purpose of receiving the notice required by Section 74.1011. The  
8 depositor or owner is not required to designate a representative  
9 under this subsection.

10 (b) The comptroller shall prescribe a form that a holder of  
11 an account or the contents of a safe deposit box may make available  
12 to a depositor of the account or owner of the contents of the box to  
13 designate a representative for notice under this section.

14 (c) A representative for notice designated under this  
15 section does not have any rights to the account or safe deposit box  
16 and may not access the account or box.

17 (d) The running of a period of abandonment under Section  
18 73.101 ceases immediately if a representative designated under this  
19 section communicates to the holder that the representative knows:

20 (1) the depositor's or owner's location; and

21 (2) that the depositor or owner exists and has not  
22 abandoned the account or the contents of a safe deposit box.

23 SECTION 3. Section 74.101(c), Property Code, is amended to  
24 read as follows:

25 (c) The property report must include, if known by the  
26 holder:

27 (1) the name, social security number, driver's license

1 or state identification number, e-mail address, and [~~the~~] last  
2 known address of:

3 (A) each person who, from the records of the  
4 holder of the property, appears to be the owner of the property; or

5 (B) any person who is entitled to the property;

6 (2) the name and last known mailing or e-mail address  
7 of any person designated as a representative for notice under  
8 Section 72.1021 or 73.103;

9 (3) a description of the property, the identification  
10 number, if any, and, if appropriate, a balance of each account,  
11 except as provided by Subsection (d);

12 (4) [~~3~~] the date that the property became payable,  
13 demandable, or returnable;

14 (5) [~~4~~] the date of the last transaction with the  
15 owner concerning the property; and

16 (6) [~~5~~] other information that the comptroller by  
17 rule requires to be disclosed as necessary for the administration  
18 of this chapter.

19 SECTION 4. Section 74.1011, Property Code, is amended by  
20 adding Subsection (b-1) to read as follows:

21 (b-1) If an owner has designated a representative for notice  
22 under Section 72.1021 or 73.103, the holder shall mail or e-mail the  
23 written notice required under Subsection (a) to the representative  
24 in addition to mailing the notice to the owner.

25 SECTION 5. Section 74.103(a), Property Code, is amended to  
26 read as follows:

27 (a) A holder required to file a property report under

1 Section 74.101 shall keep a record of:

2 (1) the name, the social security number, if known,  
3 and the last known address of each person who, from the records of  
4 the holder of the property, appears to be the owner of the property;

5 (2) the name and last known mailing or e-mail address  
6 of any representative for notice designated under Section 72.1021  
7 or 73.103;

8 (3) a brief description of the property, including the  
9 identification number, if any; and

10 (4) [~~3~~] the balance of each account, if appropriate.

11 SECTION 6. INTERIM STUDY ON ESCHEAT AND ABANDONED PROPERTY  
12 LAWS. (a) The house committee on investments and financial  
13 services shall conduct an interim study to examine the state's  
14 escheat laws and abandoned property laws, including Title 6,  
15 Property Code. The study must:

16 (1) focus particularly on the impact of abandoned  
17 personal property laws on elderly Texans;

18 (2) include a review of the escheat and abandoned  
19 property laws of other states; and

20 (3) seek to determine whether any improvements to the  
21 statutes of this state governing escheat and abandoned property may  
22 be made.

23 (b) Not later than November 1, 2016, the committee shall  
24 submit a report to the lieutenant governor, speaker of the house of  
25 representatives, and members of the legislature on the findings of  
26 the study and any recommendations for legislation relating to  
27 escheat or abandoned property.



1 (c) This section expires June 1, 2017.

2 SECTION 7. (a) Except as provided by Subsection (b) of this  
3 section, this Act takes effect September 1, 2017.

4 (b) Section 6 of this Act takes effect September 1, 2015.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 22, 2015**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1454** by Raney (Relating to property that is or may be presumed abandoned.), **As Passed 2nd House**

The potential revenue loss from implementation of the bill cannot be determined at this time.
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The bill would amend the Property Code to authorize an owner of shares of a mutual fund, a depositor of an account, such as a checking or savings account, and an owner of the contents of a safe deposit box to designate the name and physical or electronic mailing address of a representative for the purpose of providing notification of presumed abandoned property. The bill would cease the running of the period for determining abandonment if the representative communicates to the holder or depository of the asset that the representative knows the owner's location and that the owner exists and has not abandoned the asset. The bill would require the House Committee on Investments and Financial Services to conduct an interim study to examine the state's escheat laws and abandoned property laws; a report of the findings and recommendations would be due to the Lieutenant Governor, Speaker of the House and members of the legislature on November 1, 2016. The bills provisions amending the Property Code would take effect on September 1, 2017.

The bill's provisions amending the Property Code could potentially reduce the number of assets held by depositories considered to be abandoned and therefore reduce remittances of abandoned property to the Comptroller of Public Accounts. The remittances of abandoned or unclaimed property are deposited to the General Revenue Fund. According to the Comptroller of Public Accounts, there is no data upon which to estimate the number and value of accounts which would be affected by the designation of an owner's representative whose knowledge of the owner's location and retention of the assets would prevent funds from being presumed abandoned and therefore reported and delivered to the state. As a scenario, the agency indicated that if the bill causes the remittance of 25 percent of individual accounts and 50 percent of business accounts to be delayed, the loss to the General Revenue Fund could be \$32.2 million in fiscal year 2018 and \$33.4 million in fiscal year 2019.

It is assumed that costs for the House Committee on Investments and Financial Services to conduct the interim study could be absorbed within existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, SD, LCO, MW, CL, EP

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 18, 2015**

**TO:** Honorable Kevin Eltife, Chair, Senate Committee on Business & Commerce

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1454** by Raney (Relating to property that is or may be presumed abandoned.),  
**Committee Report 2nd House, Substituted**

The potential revenue loss from implementation of the bill cannot be determined at this time.
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The bill would amend the Property Code to authorize an owner of shares of a mutual fund, a depositor of an account, such as a checking or savings account, and an owner of the contents of a safe deposit box to designate the name and physical or electronic mailing address of a representative for the purpose of providing notification of presumed abandoned property. The bill would cease the running of the period for determining abandonment if the representative communicates to the holder or depository of the asset that the representative knows the owner's location and that the owner exists and has not abandoned the asset. The bill would require the House Committee on Investments and Financial Services to conduct an interim study to examine the state's escheat laws and abandoned property laws; a report of the findings and recommendations would be due to the Lieutenant Governor, Speaker of the House and members of the legislature on November 1, 2016. The bill's provisions amending the Property Code would take effect on September 1, 2017.

The bill's provisions amending the Property Code could potentially reduce the number of assets held by depositories considered to be abandoned and therefore reduce remittances of abandoned property to the Comptroller of Public Accounts. The remittances of abandoned or unclaimed property are deposited to the General Revenue Fund. According to the Comptroller of Public Accounts, there is no data upon which to estimate the number and value of accounts which would be affected by the designation of an owner's representative whose knowledge of the owner's location and retention of the assets would prevent funds from being presumed abandoned and therefore reported and delivered to the state. As a scenario, the agency indicated that if the bill causes the remittance of 25 percent of individual accounts and 50 percent of business accounts to be delayed, the loss to the General Revenue Fund could be \$32.2 million in fiscal year 2018 and \$33.4 million in fiscal year 2019.

It is assumed that costs for the House Committee on Investments and Financial Services to conduct the interim study could be absorbed within existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, LCO, MW, CL, EP

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 5, 2015**

**TO:** Honorable Kevin Eltife, Chair, Senate Committee on Business & Commerce

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1454** by Raney (Relating to notice, reporting, and records requirements for holders of certain personal property that is or may be presumed abandoned.), **As Engrossed**

The potential revenue loss from implementation of the bill cannot be determined at this time.
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The bill would amend the Property Code to authorize an owner of shares of a mutual fund, a depositor of an account, such as a checking or savings account, and an owner of the contents of a safe deposit box to designate the name and physical or electronic mailing address of a representative for the purpose of providing notification of presumed abandoned property. The bill would cease the running of the period for determining abandonment if the representative communicates to the holder or depository of the asset that the representative knows the owner's location and that the owner exists and has not abandoned the asset. The provisions of the bill would take effect January 1, 2016.

The bill's provisions could potentially reduce the number of assets held by depositories considered to be abandoned and therefore reduce remittances of abandoned property to the Comptroller of Public Accounts. The remittances of abandoned or unclaimed property are deposited to the General Revenue Fund. According to the Comptroller of Public Accounts, there is no data upon which to estimate the number and value of accounts which would be affected by the designation of an owner's representative whose knowledge of the owner's location and retention of the assets would prevent funds from being presumed abandoned and therefore reported and delivered to the state. As a scenario, the agency indicated that if the bill causes the remittance of 25 percent of individual accounts and 50 percent of business accounts to be delayed, the loss to the General Revenue Fund could be \$19.8 million in fiscal year 2016 and \$30.9 million in fiscal year 2017.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, CL, EP, LCO

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 30, 2015

**TO:** Honorable Tan Parker, Chair, House Committee on Investments & Financial Services

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1454** by Raney (Relating to notice, reporting, and records requirements for holders of certain personal property that is or may be presumed abandoned.), **Committee Report 1st House, Substituted**

The potential revenue loss from implementation of the bill cannot be determined at this time.

The bill would amend the Property Code to authorize an owner of shares of a mutual fund, a depositor of an account, such as a checking or savings account, and an owner of the contents of a safe deposit box to designate the name and physical or electronic mailing address of a representative for the purpose of providing notification of presumed abandoned property. The bill would cease the running of the period for determining abandonment if the representative communicates to the holder or depository of the asset that the representative knows the owner's location and that the owner exists and has not abandoned the asset. The provisions of the bill would take effect January 1, 2016.

The bill's provisions could potentially reduce the number of assets held by depositories considered to be abandoned and therefore reduce remittances of abandoned property to the Comptroller of Public Accounts. The remittances of abandoned or unclaimed property are deposited to the General Revenue Fund. According to the Comptroller of Public Accounts, there is no data upon which to estimate the number and value of accounts which would be affected by the designation of an owner's representative whose knowledge of the owner's location and retention of the assets would prevent funds from being presumed abandoned and therefore reported and delivered to the state. As a scenario, the agency indicated that if the bill causes the remittance of 25 percent of individual accounts and 50 percent of business accounts to be delayed, the loss to the General Revenue Fund could be \$19.8 million in fiscal year 2016 and \$30.9 million in fiscal year 2017.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, CL, EP, LCO

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 17, 2015

**TO:** Honorable Tan Parker, Chair, House Committee on Investments & Financial Services

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1454** by Raney (Relating to notice, reporting, and records requirements for holders of certain personal property that is or may be presumed abandoned.), **As Introduced**

The potential revenue loss from implementation of the bill cannot be determined at this time.

The bill would amend the Property Code to direct the holder of shares of a mutual fund and the holder of accounts, such as a checking or savings account, or the contents of a safe deposit box to request from the owner of those assets the name and physical or electronic mailing address of the owner's representative for the purpose of providing notification of presumed abandoned property. The bill would cease the running of the period for determining abandonment if the representative communicates to the holder that the representative knows the owner's location and that the owner exists and has not abandoned the asset.

The bill's provisions could potentially reduce the number of assets held by depositories considered to be abandoned and therefore reduce remittances of abandoned property to the Comptroller of Public Accounts. The remittances of abandoned or unclaimed property are deposited to the General Revenue Fund. According to the Comptroller of Public Accounts, there is no data upon which to estimate the number and value of accounts which would be affected by the designation of an owner's representative whose knowledge of the owner's location and retention of the assets would prevent funds from being presumed abandoned and therefore reported and delivered to the state. As a scenario, the agency indicated that if the bill causes the remittance of 25 percent of individual accounts and 50 percent of business accounts to be delayed, the loss to the General Revenue Fund could be \$29.7 million in fiscal year 2016 and \$30.9 million in fiscal year 2017.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, CL, EP, LCO