

BILL ANALYSIS

H.B. 1514
By: Landgraf
Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

It has been suggested that state law governing the administration of the state's unclaimed property program is overly ambiguous and does not adequately delineate the authority of the various actors and processes involved. H.B. 1514 was introduced at the request of the office of the comptroller of public accounts, the agency administering the program, to act on certain recommendations by that office to revise and update program processes and provide greater clarity and consistency with respect to the administration of the program.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1514 amends the Property Code to revise statutory provisions governing the reporting, delivery, and claims processes for certain unclaimed property to do the following:

- extend the applicability of those provisions to:
 - property associated with a prepaid funeral benefits contract that is presumed abandoned;
 - unclaimed life insurance policy, annuity contract, or retained asset account proceeds; and
 - any other law requiring a person to report and deliver property to the comptroller of public accounts for purposes of the applicable claims process;
- change the deadline for an individual who on March 1 holds property to which those provisions apply to provide written notice of certain information to the property owner from the following May 1 to the 60th day before the date the property is delivered to the comptroller;
- give a property holder the option to provide written notice to a property owner by email as an alternative to physical mail;
- authorize the comptroller at any time to destroy or otherwise dispose of unclaimed property delivered to the comptroller if after investigation the comptroller determines that the property is not marketable or has insubstantial commercial value;
- authorize the comptroller to sell or otherwise liquidate a security delivered to the comptroller and use the proceeds to buy, exchange, invest, or reinvest in marketable securities;
- prohibit the comptroller from selling a security listed on an established stock exchange for less than the price prevailing on the exchange at the time of sale and authorize the

comptroller to sell a security not listed on an established exchange by any commercially reasonable method;

- regarding a claim filed with the comptroller for the recovery of property:
 - require the claim to identify the specific property in the comptroller's possession that is being claimed and include all necessary documentation the comptroller may require;
 - revise provisions providing for the manner in which property may be claimed from the comptroller if the reported owner died testate or intestate or if the reported owner is a corporation that has been dissolved or liquidated; and
 - authorize the comptroller to approve the claim of the attorney general or other Title IV-D agency for certain child support arrearages and a claim of a person holding durable power of attorney of a medically incapacitated person;
- authorize the comptroller to waive the requirement of filing a claim and to pay or deliver property directly to a person who does not file a claim under the following circumstances:
 - the person receiving the property is the reported owner of the property;
 - the comptroller reasonably believes the person is entitled to receive the property or payment; and
 - the property has a value of less than \$5,000;
- revise the process for appealing a decision on a claim and extend the deadline for filing an appeal;
- authorize a person who informs a potential claimant that the claimant may be entitled to claim property to receive reasonable attorney's fees necessary to pursue the claim;
- establish the circumstances under which an agreement to assist a claimant in the recovery of property is enforceable; and
- clarify that the penalty or interest imposed on delinquent property may be waived either in whole or in part and include good cause among the permissible reasons for waiving the penalty or interest.

H.B. 1514 exempts tangible or intangible personal property that is a worthless or non-freely transferable security or a firearm from statutory provisions governing the abandonment of personal property.

H.B. 1514 amends the Estates Code to change the manner in which the clerk of a court that orders the payment of unclaimed shares of an estate to the comptroller must provide to the comptroller a certified copy of the court order from personal service of citation to certified mail or email.

H.B. 1514 amends the Insurance Code to make conforming changes that are applicable to a report of unclaimed life insurance policy, annuity contract, or retained asset account proceeds due on or after September 1, 2021.

H.B. 1514 repeals the following provisions of the Insurance Code:

- Section 1109.013(d);
- Section 1109.101; and
- Subchapters B and D, Chapter 1109.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.