



Washington State

UNCLAIMED PROPERTY

Local Government

All local governments consisting of cities, towns, counties, municipal and quasi-municipal corporations holding unclaimed property must report it by November 1 each year. Local governments should report all unclaimed property except unclaimed criminal restitution and excess foreclosure proceeds.

Local governments may retain the funds for some types of reported property. Most property held by local governments is presumed abandoned after two years. The *exceptions* are payroll checks and utility deposits or refunds. These are presumed abandoned after one year.

You must report and remit:

- Unclaimed court monies
- Trust accounts
- Unrefunded utility deposits
- Unclaimed debt service payments
- Unredeemed bonds and coupons
- Other state's properties

Report and retain funds

You must report but may retain funds for:

- Warrants
- Uncashed checks
- Property tax overpayments or refunds
- Abandoned public transportation fare cards or passes

NOTE: You may only retain property with last known address in Washington.

Option to remit

Local governments may remit funds to the Department of Revenue that could otherwise be retained.

Advantages:

- Indemnified for remitted property
- Not responsible for refunds
- Little-to-no research or contact with claimants

Fare cards

Public transportation fare cards and passes were included in the property types that may be retained. *Fare card* means any pass or instrument, and the value it represents, purchased for public transportation facilities or services. *Fare card* does not include *gift card* or *gift certificate*.

A public transportation authority that holds funds representing value on abandoned fare cards may retain the funds until the owner notifies the authority and establishes ownership. *Public transportation authority* means a municipality, a regional transit authority, a public mass transportation system, or a city transportation authority.

Public debt

Unclaimed matured bonds and related interest or coupon payments are considered abandoned after two years. Each unredeemed coupon or interest payment is reported two years after it becomes payable, even if the bond has not matured.

Many local governments use the services of the state's fiscal agent, which is U.S. Bank, for paying debt service on bonds they issue.

Reportable items include:

- Unredeemed bonds
- Interest/Coupons

Local governments use U.S. Bank when matured bonds and/or coupons are unredeemed:

U.S. Bank shall hold any funds remitted to it for redemption of coupons, registered interest checks, and Bonds in accordance with the Authorizing Documents. U.S. Bank will hold, for one year after the appropriate redemption date, the unpaid balances as part of the overall investment balance total.

If requested in writing by an individual Issuer, U.S. Bank will transfer to such individual Issuer any unpaid balances and supporting identifying bondholder information, if known, on the first Business Day of the 13th month after the date due for payment or redemption.

If a written request has not been received from an Issuer, U.S. Bank will follow the above process and the unclaimed property shall be reported and remitted to the State Department of Revenue two years after the funds have become payable or distributable.

U.S. Bank shall hold any unclaimed funds received by it for interest payments or redemption of Bonds without any obligation of U.S. Bank or the Issuer to pay any interest thereon to the owner from the due date to the date of presentment.

Unclaimed restitution

Do not report unclaimed criminal restitution as unclaimed property. In the past, this property was reportable as unclaimed property. The County Treasurer is required to report and send the funds to the State Treasurer for the Crime Victims Fund each month *per RCW 7.68.290*.

Restitution claims process

If you have reported and paid restitution funds to us in the past, you may direct returning owners to Unclaimed Property for refund.

For funds sent to the State Treasurer for the Crime Victims Fund, you will need to recover the funds from the Administrator of the Courts (AOC) and repay the owner directly.

Since any unclaimed restitution should not reach two years abandonment before you send it to the Crime Victims Fund, do not report unclaimed criminal restitution as unclaimed property. (See RCWs related to Unclaimed Property.)

Cancelled warrants

Unpresented warrants are cancelled by statute after one year. If the amount is still owed to the owner, cancellation of a warrant or check does not prevent abandonment. The underlying liability due the owner is reportable as unclaimed property after two years.

Note on records and refunds: After five years, a local government may transfer reported and retained funds to its general fund. However, retained funds must always be available for refund.

Records for retained property may be archived after five years.

Claimants of retained property are referred to the local government to pursue their claim.

Penalties

Beginning July 1, 2017, the following penalties will apply:

- 10%** Late report penalty if report is not filed or paid by the due date.
- 10%** Assessment penalty when an examination results in an assessment for amounts unpaid or property not delivered.
- 5%** Additional penalty for amounts assessed and not paid by due date.
- 5%** Report penalty when holder does not file and pay electronically when required.

Note: Penalty amounts are based on amounts unpaid and the value of any property not delivered. These penalties are cumulative.

RCWs related to unclaimed property but not reported as unclaimed property

Restitution:

Disposition when victim dead or not found.

Refer to RCW 7.68.290

Lost and found property.

Refer to RCW 63.21

Unclaimed property in hands of city police.

Refer to RCW 63.32

Unclaimed property in hands of state patrol.

Refer to RCW 63.35

Unclaimed property in hands of sheriff.

Refer to RCW 63.40

Unclaimed inmate personal property.

Refer to RCW 63.42

Questions and answer

Why do local governments remit some property types and only report other property types?

Local governments are allowed to keep the funds for Washington address unclaimed property when a payment by check or warrant remained uncashed. Since the names are reported to Unclaimed Property, owners may still search one central point for abandoned property. The local government may use the funds until a person makes a claim. Trust funds, bond monies, deposits, credit balances, and other property that has not been issued for refund by the local government is remitted with the unclaimed property report.

What if we report and remit the property and then discover we paid the owner?

You can submit a Certificate of Holder (COH) and provide documentation the owner was paid and we will issue a refund to you. Let us know immediately that you have paid the owner so we will not pay the owner twice.

What is the best option for dealing with bond monies — take delivery and report, or let U.S. Bank retain?

There are obvious advantages to allowing the state's fiscal agent, U.S. Bank, to report and remit the unclaimed bonds and coupons. The local government is relieved from the administrative task of reporting and remitting the funds to the state. Additionally, U.S. Bank can access the historical records on the bonds to answer any claimant questions.

Do we need to report the unredeemed gift certificates/gift cards?

Gift certificates/cards sold after July 1, 2004, may be retained by the business and are no longer reportable as unclaimed property. However, if the company dissolves or goes into bankruptcy, gift certificates/cards must be reported. Customer is given option of cash refund if balance is \$5 or less.

In addition, gift certificates/ cards issued after July 1, 2004, may no longer:

- Contain an expiration date
- Assess a dormancy or inactivity charge
- Include a service fee

Contact information

Phone: (360) 534-1502
(Press “2” for holder reporting questions)
Toll Free: 1-800-435-2429
(Washington State only)
Fax: (360) 534-1498
Email: ucp@dor.wa.gov
Website: ucp.dor.wa.gov
Mail: State of Washington
Department of Revenue
Unclaimed Property
Section
PO Box 34053
Seattle, WA 98124-1053

For tax assistance or to request this document in an alternate format, visit <https://dor.wa.gov> or call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711.

Because this is a summary, it does not contain all the information that may be important to you. For more information, please refer to Chapter 63.29 of the Revised Code of Washington.

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