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**Before the Committee on Taxation  
Kansas State Treasurer Testimony on HB 2196  
February 10, 2015**

Chairman Kleeb and members of the Committee, I am Scott Gates, General Counsel for the Office of Kansas State Treasurer Ron Estes. Thank you for the opportunity to testify in opposition of HB 2196.

The Kansas State Treasurer's Office administers the state's Unclaimed Property Department. It is the mission of the Unclaimed Property Department to return unclaimed property to its rightful owners or heirs, the people of Kansas. We returned over \$22 million to claimants last year. H.B. 2196 interferes with that mission by allowing units of government to keep any property valued at \$20 or less. If the property is not claimed from a governmental entity within a year, it would become property of that governmental entity never to be reclaimed by its rightful owner. If it is reported to us, the money remains available forever while our Unclaimed Property Department uses its available resources to reunite the property with its rightful owner. Under HB 2196, this would no longer be the case. It is the strong belief of the State Treasurer's Office that whether property is valued at \$1,500 or \$15 it belongs to its rightful owners, the citizens of Kansas, not the government.

Supporters of HB 2196 believe it will streamline administrative processes. I would like to make note that there are already provisions in statute to ease the administrative process for property valued under \$100. K.S.A. 58-3950(e) waives the requirement that a holder of property presumed abandoned send written notification to the apparent owner before remitting the property to the State Treasurer's Office, Unclaimed Property Department if the property is valued under \$100. This current exception significantly reduces the administrative burden for governmental entities working with the types of property addressed in this bill. This bill would actually create an additional administrative process for governmental entities to separate payments into those that are over and under \$20 and treat them differently.

Another core value of our office is that government entities should be treated the same as the private sector holders who are required to report unclaimed property to us. To that end, two years ago the legislature required all state of Kansas warrants to be reported as unclaimed property eliminating a cumbersome cancelled warrants process that required claimants to have their warrant number and gave them only five years to claim their funds. Since then the state has reported over \$15 million in uncashed warrants and we have returned over \$7 million of this amount to its rightful owners. The State Treasurers Office and the Department of Administration have worked hard to implement new procedures for remitting unclaimed property. These procedures are effective and allow us to efficiently return unclaimed property of all values to the people of Kansas. Including the state in HB 2196 would decrease efficiencies by forcing us to create workarounds for our current procedures while also decreasing the number of Kansans receiving their rightful property.

I'd be happy to answer any questions that you may have.