

HOUSE BILL NO. 55

INTRODUCED BY HARRINGTON

BY REQUEST OF THE DEPARTMENT OF REVENUE

IN THE HOUSE

DECEMBER 30, 1988	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
JANUARY 2, 1989	FIRST READING.
JANUARY 12, 1989	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
JANUARY 13, 1989	POSTED ON CONSENT CALENDAR.  ENGROSSING REPORT.  ON MOTION, TAKEN FROM CONSENT CALENDAR AND REREFERRED TO SECOND READING.
JANUARY 16, 1989	SECOND READING, DO PASS.
JANUARY 17, 1989	ENGROSSING REPORT.
JANUARY 18, 1989	THIRD READING, PASSED. AYES, 91; NOES, 4.  TRANSMITTED TO SENATE.

IN THE SENATE

JANUARY 19, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
JANUARY 31, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
FEBRUARY 3, 1989	SECOND READING, CONCURRED IN.
FEBRUARY 6, 1989	THIRD READING, CONCURRED IN. AYES, 48; NOES, 1.  RETURNED TO HOUSE.

FEBRUARY 7, 1989

IN THE HOUSE

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

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2    INTRODUCED BY HARRINGTON  
3                    BY REQUEST OF THE DEPARTMENT OF REVENUE

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5    A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW THE DEPARTMENT  
6    OF REVENUE TO ESTIMATE UNCLAIMED PROPERTY ASSESSMENTS IF A  
7    HOLDER OF UNCLAIMED PROPERTY HAS FAILED TO MAINTAIN  
8    SUFFICIENT RECORDS; AMENDING SECTION 70-9-314, MCA; AND  
9    PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE  
10   APPLICABILITY DATE."

11  
12   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13        **Section 1.** Section 70-9-314, MCA, is amended to read:

14        "70-9-314. Records requirements -- examination. (1)  
15    Every holder required to file a report under 70-9-301  
16    concerning any property for which it has obtained the  
17    last-known address of the owner shall maintain a record of  
18    the name and last-known address of the owner for 10 years  
19    after the property becomes reportable, except to the extent  
20    that a shorter time is provided in subsection (2).

21        (2) Any business association that sells its travelers'  
22    checks, money orders, or similar written instruments, other  
23    than third-party bank checks on which the business  
24    association is directly liable, or that provides such  
25    instruments to others for sale in this state shall maintain

1    a record of those instruments while they remain outstanding,  
2    indicating the state and date of issue, for 5 years after  
3    the date the property is reportable.

4        (3) The department or its designated agent may at  
5    reasonable times and upon reasonable notice examine the  
6    records of any person who it has reason to believe may be  
7    holding unclaimed property. In addition, the department  
8    shall, in the course of conducting an investigation,  
9    examination, or audit under Title 15, identify any abandoned  
10   property which is subject to parts 1 through 3.

11        (4) The commissioner of insurance shall, in the course  
12   of conducting an investigation, examination, or audit under  
13   Title 33, identify any abandoned property which is subject  
14   to parts 1 through 3 and shall, as soon as practicable, give  
15   a detailed report of any such identification to the  
16   department.

17        (5) The department of commerce shall, in the course of  
18   conducting an investigation, examination, or audit under  
19   Title 32, identify any abandoned property which is subject  
20   to parts 1 through 3 and shall, as soon as practicable, give  
21   a detailed report of any such identification to the  
22   department.

23        (6) If a holder fails to maintain the records required  
24   by this section or if his records for the period subject to  
25   this chapter are insufficient to permit the preparation of a

1 report, the department may require him to report and pay  
2 such amounts as the department may reasonably estimate from  
3 any available records."

4 **Section 2. Extension of authority.** Any existing  
5 authority to make rules on the subject of the provisions of  
6 [this act] is extended to the provisions of [this act].

7 **Section 3. Retroactive applicability.** [This act]  
8 applies retroactively, within the meaning of 1-2-109, to tax  
9 years beginning after December 31, 1988.

10 **Section 4. Effective date.** [This act] is effective on  
11 passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB055, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to allow the Department of Revenue to estimate unclaimed property assessments if a holder of unclaimed property has failed to maintain sufficient records: providing an immediate effective date and a retroactive applicability date.

FISCAL IMPACT:

Every year the department audits banks, coops, credit unions, hospitals, etc. for unclaimed property. In some instances the person being audited does not have sufficient records to accurately assess the value of this type of property. In these instances the department cannot assess anything because there is no statutory authority allowing department estimation of the assessment.

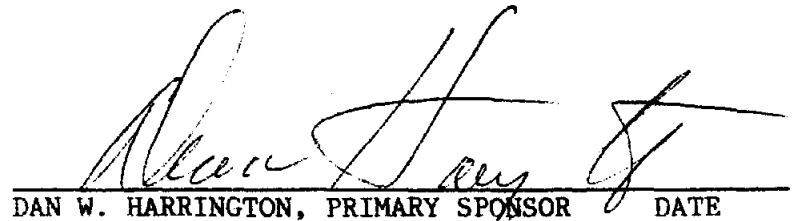
This proposal would allow the department to estimate the assessed value of unclaimed property in these instances. This would result in additional revenue to the Common School Trust account while not requiring any additional expense for department administration.

Additional revenues to the Common School Trust account will increase interest earnings deposits to the School Foundation Program.



RAY SHACKLEFORD, BUDGET DIRECTOR      DATE  
Office of Budget and Program Planning

11/7/89



DAN W. HARRINGTON, PRIMARY SPONSOR      DATE

Fiscal Note for HB055, as introduced

**HB 55**

APPROVED BY COMMITTEE  
ON TAXATION  
OBJECTION TO CONSENT CALENDAR  
SENT TO SECOND READING

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10   APPLICABILITY DATE."  
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12   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
13        **Section 1.** Section 70-9-314, MCA, is amended to read:  
14        "70-9-314. Records requirements -- examination. (1)  
15   Every holder required to file a report under 70-9-301  
16   concerning any property for which it has obtained the  
17   last-known address of the owner shall maintain a record of  
18   the name and last-known address of the owner for 10 years  
19   after the property becomes reportable, except to the extent  
20   that a shorter time is provided in subsection (2).  
21        (2) Any business association that sells its travelers'  
22   checks, money orders, or similar written instruments, other  
23   than third-party bank checks on which the business  
24   association is directly liable, or that provides such  
25   instruments to others for sale in this state shall maintain

1   a record of those instruments while they remain outstanding,  
2   indicating the state and date of issue, for 5 years after  
3   the date the property is reportable.  
4        (3) The department or its designated agent may at  
5   reasonable times and upon reasonable notice examine the  
6   records of any person who it has reason to believe may be  
7   holding unclaimed property. In addition, the department  
8   shall, in the course of conducting an investigation,  
9   examination, or audit under Title 15, identify any abandoned  
10   property which is subject to parts 1 through 3.  
11        (4) The commissioner of insurance shall, in the course  
12   of conducting an investigation, examination, or audit under  
13   Title 33, identify any abandoned property which is subject  
14   to parts 1 through 3 and shall, as soon as practicable, give  
15   a detailed report of any such identification to the  
16   department.  
17        (5) The department of commerce shall, in the course of  
18   conducting an investigation, examination, or audit under  
19   Title 32, identify any abandoned property which is subject  
20   to parts 1 through 3 and shall, as soon as practicable, give  
21   a detailed report of any such identification to the  
22   department.  
23        (6) If a holder fails to maintain the records required  
24   by this section or if his records for the period subject to  
25   this chapter are insufficient to permit the preparation of a

1 report, the department may require him to report and pay  
2 such amounts as the department may reasonably estimate from  
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4       **Section 2. Extension of authority.** Any existing  
5 authority to make rules on the subject of the provisions of  
6 {this act} is extended to the provisions of {this act}.

7       **Section 3. Retroactive applicability.** {This act}  
8 applies retroactively, within the meaning of 1-2-109, to tax  
9 years beginning after December 31, 1988.

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**Section 1.** Section 70-9-314, MCA, is amended to read:

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Every holder required to file a report under 70-9-301 concerning any property for which it has obtained the last-known address of the owner shall maintain a record of the name and last-known address of the owner for 10 years after the property becomes reportable, except to the extent that a shorter time is provided in subsection (2).

(2) Any business association that sells its travelers' checks, money orders, or similar written instruments, other than third-party bank checks on which the business association is directly liable, or that provides such instruments to others for sale in this state shall maintain

a record of those instruments while they remain outstanding, indicating the state and date of issue, for 5 years after the date the property is reportable.

(3) The department or its designated agent may at reasonable times and upon reasonable notice examine the records of any person who it has reason to believe may be holding unclaimed property. In addition, the department shall, in the course of conducting an investigation, examination, or audit under Title 15, identify any abandoned property which is subject to parts 1 through 3.

(4) The commissioner of insurance shall, in the course of conducting an investigation, examination, or audit under Title 33, identify any abandoned property which is subject to parts 1 through 3 and shall, as soon as practicable, give a detailed report of any such identification to the department.

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