

Historical Tax Law Changes Unclaimed Property Collections

Laws 2001, Chapter 22 establishes the Department of Housing in statute, moving administration of the Housing Trust Fund and Housing Development Fund from the Department of Commerce under A.R.S. § 41-1512 and A.R.S. § 41-1518 to the Department of Housing under A.R.S. § 41-3955 and 41-3956, respectively. The law updates the statutory distribution of unclaimed property revenues to reflect the shift.

Laws 2001, Chapter 146 requires DOR to deposit monies from unclaimed victim restitution payments in the Victim Compensation and Assistance Fund for the purpose of establishing, maintaining and supporting programs that compensate and assist victims of crime.

Laws 2002, Chapter 241 makes technical corrections to the provisions contained in Laws 2001, Chapter 22 to clarify that the statutory distribution of unclaimed property revenues reflects the shift of administration of the Housing Trust Fund and Housing Development Fund from the Department of Commerce under A.R.S. § 41-1512 and A.R.S. § 41-1518 to the Department of Housing under A.R.S. § 41-3955 and 41-3956, respectively.

Laws 2003, Chapter 2 requires the first \$5,000,000 in unclaimed property revenues received in FY 2003 be deposited in the General Fund.

Laws 2004, Chapter 135 established unclaimed property provisions related to deposits of trustees' sales with the county treasurer in the county in which the sale took place. The law stipulated that excess proceeds from the sale deposited with the county treasurer are presumed abandoned 3 years after deposit with the treasurer and no pending application for distribution has been made. The treasurer was required to report unclaimed monies to DOR for the prior fiscal year on or before November 1.

Laws 2005, Chapter 333 required DOR to deposit in FY 2005 and FY 2006 any unclaimed property that was associated with the case of Ladewig v. State of Arizona in the General Fund.

Laws 2006, Chapter 33 increased the abandonment period for tangible property that was held in a safe deposit box from 1 to 3 years after the expiration of the box's lease or rental period.

Laws 2006, Chapter 243 eliminated the statutory requirement that monies held for payment of void warrants by the State Treasurer of up to \$1 million be transferred to the Homeless Trust Fund. A.R.S. § 44-302 stipulated that monies held by the State Treasurer for the payment of warrants by a state agency that remain unclaimed by the owner at the time of the void date printed on the warrant are presumed abandoned.

Laws 2006, Chapter 316 appropriated \$135,000 from the Estate and Unclaimed Property Fund in FY 2006 to DOR for supplemental funding for unclaimed property printing and advertising costs.

Laws 2006, Chapter 347 required DOR to deposit in FY 2007 any unclaimed property that was associated with the case of Ladewig v. State of Arizona and the case of Kerr v. State of Arizona in the General Fund.

Laws 2007, Chapter 260 made changes to abandonment periods for certain classifications of property and the timeframe that securities can be sold. The abandonment periods for corporate bonds and dividends on securities was reduced from 5 to 3 years. The law allowed DOR to sell unclaimed securities upon their receipt, with the requirement that all proceeds from the sales of securities in FY 2008 be deposited into the state General Fund. The sale of all securities held by DOR was estimated to generate a one-time gain of \$45 million to the General Fund and reduce DOR's \$160,000 annual portfolio management costs by \$60,000. Actual collections of \$47.2 million from the sale of securities exceeded the original estimate by \$2.2 million.