

REFERENCE TITLE: **veteran housing; unclaimed property locators**

State of Arizona
House of Representatives
Fifty-fifth Legislature
Second Regular Session
2022

HB 2468

Introduced by
Representatives Carroll: Diaz, Kaiser, Martinez, Nguyen

AN ACT

AMENDING TITLE 36, CHAPTER 29, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2921; AMENDING SECTIONS 44-313, 44-315 AND 44-327, ARIZONA REVISED STATUTES; AMENDING TITLE 44, CHAPTER 3, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 44-327.01; RELATING TO UNCLAIMED PROPERTY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 36, chapter 29, article 1, Arizona Revised
3 Statutes, is amended by adding section 36-2921, to read:

4 36-2921. Veteran housing trust fund; report

5 A. THE VETERAN HOUSING TRUST FUND IS ESTABLISHED. THE DIRECTOR
6 SHALL ADMINISTER THE FUND. THE FUND CONSISTS OF MONIES RECEIVED PURSUANT
7 TO SECTION 44-313 AND INVESTMENT EARNINGS.

8 B. ON NOTICE FROM THE DIRECTOR, THE STATE TREASURER SHALL INVEST
9 AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES
10 EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND. MONIES IN THE FUND
11 ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF
12 APPROPRIATIONS. AN AMOUNT NOT TO EXCEED TEN PERCENT OF THE FUND MONIES
13 MAY BE APPROPRIATED ANNUALLY BY THE LEGISLATURE TO THE SYSTEM FOR
14 ADMINISTRATIVE COSTS IN PROVIDING SERVICES RELATING TO THE FUND.

15 C. FUND MONIES SHALL BE SPENT ON APPROVAL OF THE DIRECTOR SOLELY
16 FOR HOUSING PROJECTS AND RENTAL ASSISTANCE FOR HOMELESS VETERANS. THE
17 FUND MAY BE USED FOR TINY HOME COMMUNITIES THAT ARE ESTABLISHED
18 SPECIFICALLY FOR HOMELESS VETERANS. FOR ANY CONSTRUCTION PROJECT FINANCED
19 BY THE SYSTEM PURSUANT TO THIS SECTION, THE SYSTEM SHALL NOTIFY A CITY,
20 TOWN, COUNTY OR TRIBAL GOVERNMENT THAT A PROJECT IS PLANNED FOR ITS
21 JURISDICTION AND, BEFORE PROCEEDING, SHALL SEEK COMMENT FROM THE GOVERNING
22 BODY OF THE CITY, TOWN, COUNTY OR TRIBAL GOVERNMENT OR AN OFFICIAL
23 AUTHORIZED BY THE GOVERNING BODY OF THE CITY, TOWN, COUNTY OR TRIBAL
24 GOVERNMENT. THE SYSTEM MAY NOT INTERFERE WITH OR ATTEMPT TO OVERRIDE THE
25 LOCAL JURISDICTION'S PLANNING, ZONING OR LAND USE REGULATIONS.

26 D. ON OR BEFORE SEPTEMBER 1 OF EACH YEAR, THE DIRECTOR SHALL REPORT
27 TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE
28 OF REPRESENTATIVES ON THE STATUS OF THE FUND AND SHALL PROVIDE A COPY OF
29 THE REPORT TO THE SECRETARY OF STATE. THE REPORT SHALL INCLUDE A SUMMARY
30 OF FACILITIES FOR WHICH FUNDING WAS PROVIDED DURING THE PRECEDING FISCAL
31 YEAR AND SHALL SHOW THE COST AND GEOGRAPHIC LOCATION OF EACH FACILITY AND
32 THE NUMBER OF INDIVIDUALS BENEFITING FROM THE OPERATION, CONSTRUCTION OR
33 RENOVATION OF ANY FACILITY. THE REPORT SHALL ALSO INCLUDE THE NUMBER OF
34 INDIVIDUALS WHO BENEFITED FROM RENTAL ASSISTANCE.

35 Sec. 2. Section 44-313, Arizona Revised Statutes, is amended to
36 read:

37 44-313. Deposit of monies

38 A. Except as otherwise provided in this section or section 44-314,
39 the department shall deposit, pursuant to sections 35-146 and 35-147, in
40 the state general fund all monies received pursuant to this chapter,
41 including the proceeds from the sale of abandoned property pursuant to
42 section 44-312, except that:

43 1. The first ~~two million dollars~~ \$3,000,000 of the monies shall be
44 deposited each fiscal year in the seriously mentally ill housing trust
45 fund established by section 41-3955.01.

1 2. The second ~~two million five hundred thousand dollars~~ **\$3,500,000**
2 of the monies shall be deposited in the housing trust fund established by
3 section 41-3955.

4 3. The next ~~twenty-four million five hundred thousand dollars~~
5 **\$24,500,000** of the monies shall be deposited each fiscal year in the
6 department of revenue administrative fund established by section
7 42-1116.01.

8 4. **THE NEXT \$1,000,000 OF THE MONIES SHALL BE DEPOSITED EACH FISCAL**
9 **YEAR IN THE VETERAN HOUSING TRUST FUND ESTABLISHED BY SECTION 36-2921.**

10 B. The department shall deposit monies from unclaimed shares and
11 dividends of any corporation incorporated under the laws of this state in
12 the permanent state school fund pursuant to article XI, section 8,
13 Constitution of Arizona.

14 C. The department shall deposit monies from unclaimed victim
15 restitution payments in the victim compensation and assistance fund
16 established by section 41-2407 for the purpose of establishing,
17 maintaining and supporting programs that compensate and assist victims of
18 crime.

19 D. The department shall retain in a separate trust fund at least
20 ~~one hundred thousand dollars~~ **\$100,000** from which the department shall pay
21 claims.

22 E. Before making the deposit, the department shall record the name
23 and last known address of each person who appears from the holders'
24 reports to be entitled to the property and the name and last known address
25 of each insured person or annuitant and beneficiary. The department shall
26 also record the policy or contract number of each policy or contract of an
27 insurance company that is listed in the report, the name of the company
28 and the amount due. The department shall make the record available for
29 public inspection during reasonable business hours.

30 Sec. 3. Section 44-315, Arizona Revised Statutes, is amended to
31 read:

32 **44-315. Confidentiality; violation; classification;**
33 **definitions**

34 A. The department may disclose confidential information relating to
35 an item of property to the claimant or relating to reports of abandoned
36 property to the holder, a successor in interest to the claimant or holder
37 or a designee of the claimant or holder who is authorized in writing by
38 the claimant or holder.

39 B. The department also may disclose confidential information to:

40 1. Any employee of the department whose official duties involve tax
41 or unclaimed property administration.

42 2. The office of the attorney general for its use in providing
43 counsel relating to unclaimed property administration or in preparation
44 for any proceeding involving unclaimed property before the department or

1 any other agency or board of this state or before any grand jury or any
2 state or federal court.

3 3. Pursuant to a written agreement between the department and
4 another state or an organization of states that operates an information
5 exchange for unclaimed property administration purposes, a state unclaimed
6 property official from the other state if the other state or organization
7 grants substantially similar privileges to the department for the same
8 type of information.

9 4. The auditor general, in connection with any audit of the
10 department subject to the restrictions in section 42-2002, subsection D.

11 5. Any person to the extent necessary for effective unclaimed
12 property administration in connection with the processing, storage,
13 transmission and reproduction of the information and the programming,
14 maintenance, repair, testing and procurement of equipment for purposes of
15 unclaimed property administration.

16 6. A LOCATOR THAT IS REGISTERED WITH THE DEPARTMENT OF REVENUE
17 PURSUANT TO SECTION 44-327.01.

18 C. Except as provided in section 42-2002, subsection D, the
19 department may disclose confidential information in any state or federal
20 judicial or administrative proceeding relating to unclaimed property
21 administration if:

22 1. The claimant or holder is a party to the proceeding.

23 2. The treatment of an item reflected in the information is
24 directly related to the resolution of an issue in the proceeding.

25 3. The information directly relates to a transactional relationship
26 between a person who is a party to the proceeding and the claimant or
27 holder and the information directly affects the resolution of an issue in
28 the proceeding.

29 D. The department may disclose identity information for purposes of
30 notifying persons who appear to be entitled to unclaimed property in the
31 manner described in section ~~44-309~~ 44-327.01.

32 E. The department may disclose statistical information gathered
33 from confidential information if it does not disclose confidential
34 information attributable to a claimant or holder.

35 F. A court may order the department to disclose confidential
36 information pertaining to a party to an action. An order shall be made
37 only on a showing of good cause and that the party who seeks the
38 information has demanded the information from the claimant or holder.

39 G. If the department is required or permitted to disclose
40 confidential information, it may charge the person or agency that requests
41 the information for the reasonable cost of the department's services.

42 H. A disclosure of confidential information in violation of this
43 section is a class 1 misdemeanor. A knowing disclosure of confidential
44 information in violation of this section is a class 6 felony.

1 I. The provisions of this section apply to independent auditors
2 hired by the department to enforce ~~the provisions of~~ this chapter and
3 chapter 3.1 of this title.

4 J. A person, including a former employee, agent or independent
5 auditor of the department or office of administrative hearings or a person
6 previously having an administrative duty for the department or the office
7 of administrative hearings, who has received confidential information
8 while an employee, agent or independent auditor of the department or the
9 office of administrative hearings, shall not disclose that information
10 except as provided in this section.

11 K. For the purposes of this section:

12 1. "Claimant" means a person or entity that claims to have a
13 property interest in the item of property that is presumed abandoned
14 pursuant to this chapter.

15 2. "Confidential information":

16 (a) ~~includes~~ MEANS SOCIAL SECURITY NUMBERS, TAX IDENTIFICATION
17 NUMBERS, DATES OF BIRTH AND HOLDER ACCOUNT NUMBERS IN reports filed by
18 holders of property presumed abandoned under this chapter., ~~a claimant's~~
19 ~~application and documents submitted to support a claim and information~~
20 ~~discovered by the department concerning claims, and claimants, holder~~
21 ~~reports or holders. Confidential information also~~

22 (b) Includes information supplied at the special request of the
23 department ~~which~~ THAT the claimant or holder requests to be held
24 confidential, whether a holder or report was, is being or will be subject
25 to examination, investigation or collection and data received by, recorded
26 by, prepared by, furnished to or collected by the department with respect
27 to the existence or possible existence of a liability of any holder for
28 unclaimed property.

29 Sec. 4. Section 44-327, Arizona Revised Statutes, is amended to
30 read:

31 44-327. Agreement to locate property

32 ~~A. The following are void and unenforceable:~~

33 ~~1. A. An agreement TO LOCATE PROPERTY THAT IS entered into by an~~
34 ~~owner A CLAIMANT with another person if the primary purpose of that~~
35 ~~agreement is to locate, deliver, recover or assist in the recovery of~~
36 ~~property that is presumed abandoned, if the agreement was entered into~~
37 ~~during the period commencing on the date the property was presumed~~
38 ~~abandoned and extending to a time that is twenty-four months after the~~
39 ~~date that the property is paid or delivered to the department. This~~
40 ~~paragraph does not apply to an owner's agreement with an attorney to file~~
41 ~~a claim relating to identified property or to contest the department's~~
42 ~~denial of a claim. IS ENFORCEABLE IF ALL OF THE FOLLOWING APPLY:~~

43 1. THE AGREEMENT IS IN WRITING IN AT LEAST TEN-POINT TYPE.

44 2. THE AGREEMENT LISTS THE UNCLAIMED PROPERTY ACCOUNT NUMBERS BEING
45 CLAIMED.

1 3. THE AGREEMENT DESCRIBES THE SERVICES TO BE PERFORMED.
 2 4. THE AGREEMENT IS SIGNED BY THE CLAIMANT.
 3 5. THE AGREEMENT STATES THE VALUE OF THE PROPERTY BEFORE AND AFTER
 4 THE FEE OR OTHER COMPENSATION HAS BEEN DEDUCTED.

5 B. THE FEE OR PAYMENT AGREED ON MAY NOT BE MORE THAN THIRTY PERCENT
 6 OF THE VALUE OF THE RECOVERABLE PROPERTY THAT IS REPORTED TO THE
 7 DEPARTMENT. THIS SUBSECTION DOES NOT APPLY TO RECOVERY OF ACCOUNTS THAT
 8 REQUIRE JUDICIAL DETERMINATION OF OWNERSHIP TO ESTABLISH ENTITLEMENT.

9 ~~2.~~ C. A provision in an agreement that requires ~~an owner~~ A
 10 CLAIMANT to pay compensation that includes a portion of mineral proceeds
 11 that are not presumed abandoned or the underlying minerals, if the primary
 12 purpose of the agreement is to locate, deliver, recover or assist in the
 13 recovery of mineral proceeds that are presumed abandoned, IS VOID.

14 ~~B. If an owner enters into an agreement that is not void pursuant
 15 to this section and the primary purpose of that agreement is to locate,
 16 deliver, recover or assist in the recovery of property reported to the
 17 department, the agreement is:~~

18 ~~1. Enforceable if the agreement is in writing, clearly states the
 19 nature of the property and the services to be performed, is signed by the
 20 apparent owner and states the value of the property before and after the
 21 fee or other compensation has been deducted. The fee or payment agreed on
 22 shall not be more than thirty per cent of the value of the recoverable
 23 property reported to the department.~~

24 ~~2.~~ D. AN AGREEMENT THAT IS SUBJECT TO SUBSECTION B OF THIS SECTION
 25 IS unenforceable except by the ~~owner~~ CLAIMANT if the agreement provides
 26 for compensation that is more than thirty ~~per cent~~ PERCENT of the value of
 27 the recoverable property reported to the department.

28 ~~3.~~ E. ~~An owner who~~ A CLAIMANT, OR THE DEPARTMENT ON BEHALF OF THE
 29 CLAIMANT, MAY MAINTAIN AN ACTION TO REDUCE COMPENSATION IF BOTH OF THE
 30 FOLLOWING APPLY:

31 1. THE CLAIMANT has agreed to pay compensation that is more than
 32 thirty ~~per cent~~ PERCENT of the value of the recoverable property reported
 33 to the department. ~~, or the department on behalf of the owner, may
 34 maintain an action to reduce the compensation.~~

35 2. THE AGREEMENT IS SUBJECT TO SUBSECTION B OF THIS SECTION.

36 F. The court may award reasonable attorney fees to ~~an owner~~ A
 37 CLAIMANT who prevails in the action BROUGHT UNDER SUBSECTION E OF THIS
 38 SECTION. This section does not prohibit ~~an owner~~ A CLAIMANT from
 39 asserting that an agreement is invalid on grounds other than compensation.

40 Sec. 5. Title 44, chapter 3, article 1, Arizona Revised Statutes,
 41 is amended by adding section 44-327.01, to read:

42 44-327.01. Unclaimed property account information; locators;
 43 registration; fees; fund

44 A. ON WRITTEN REQUEST, THE DEPARTMENT SHALL PROVIDE ALL UNCLAIMED
 45 PROPERTY ACCOUNT INFORMATION FOR ALL UNCLAIMED ACCOUNTS ONLY TO A LOCATOR

1 THAT IS REGISTERED PURSUANT TO THIS SECTION. THE DEPARTMENT MAY CHARGE A
2 FEE FOR EACH REQUEST IN AN AMOUNT TO BE DETERMINED BY THE DEPARTMENT. THE
3 DEPARTMENT SHALL PROVIDE THE UNCLAIMED PROPERTY ACCOUNT INFORMATION IN A
4 SEARCHABLE ELECTRONIC OR DIGITAL FORMAT. THE UNCLAIMED PROPERTY ACCOUNT
5 INFORMATION SHALL INCLUDE ALL OF THE FOLLOWING:

- 6 1. THE NAME OF THE APPARENT OWNER.
- 7 2. THE COMPLETE LAST KNOWN ADDRESS OF THE APPARENT OWNER AS
8 REPORTED BY THE HOLDER.
- 9 3. THE RELATIONSHIP CODE, IF ANY.
- 10 4. THE TYPE OF PROPERTY.
- 11 5. THE CASH VALUE OF THE PROPERTY.
- 12 6. IF THE PROPERTY IS SECURITIES OR MUTUAL FUND SHARES, THE NUMBER
13 OF SHARES OR ITEMS AND THE EXCHANGE TICKER SYMBOL OR FUND NAME, IF
14 REPORTED.
- 15 7. THE YEAR THAT THE PROPERTY WAS REPORTED TO THE DEPARTMENT.
- 16 8. THE NAME AND CONTACT INFORMATION OF THE HOLDER.
- 17 9. A GENERAL DESCRIPTION OF THE SAFE DEPOSIT BOX CONTENTS AND THE
18 LIQUIDATION AMOUNT, IF APPLICABLE.

19 B. A LOCATOR MAY REGISTER WITH THE DEPARTMENT IN A FORM AND MANNER
20 DETERMINED BY THE DEPARTMENT AND PAY A FEE TO THE DEPARTMENT IN AN AMOUNT
21 TO BE DETERMINED BY THE DEPARTMENT. ON THE REGISTRATION APPLICATION, A
22 LOCATOR SHALL PROVIDE THE LOCATOR'S PRIMARY BUSINESS ADDRESS AND TELEPHONE
23 NUMBER AND THE NAME, TELEPHONE NUMBER AND EMAIL ADDRESS OF THE INDIVIDUAL
24 WHO WILL BE THE PRIMARY POINT OF CONTACT WITH THE DEPARTMENT. A LOCATOR IS
25 INELIGIBLE FOR REGISTRATION IF, WITHIN THE IMMEDIATELY PRECEDING TEN-YEAR
26 PERIOD ANY OF THE FOLLOWING WAS CONVICTED OF A FELONY INVOLVING
27 DISHONESTY, DECEIT, FRAUD OR A BREACH OF FIDUCIARY DUTY:

- 28 1. THE LOCATOR, IF AN INDIVIDUAL.
- 29 2. A CURRENT OFFICER OR OWNER OF THE LOCATOR, IF AN ENTITY.
- 30 3. A CURRENT EMPLOYEE OF THE INDIVIDUAL LOCATOR OR ENTITY LOCATOR
31 THAT PERFORMS OR DIRECTS LOCATOR SERVICES.

32 C. LOCATOR REGISTRATION IS VALID FOR FOUR YEARS. THE LOCATOR MAY
33 RENEW ITS REGISTRATION IN A MANNER THAT IS PRESCRIBED BY THE DEPARTMENT.
34 THE DEPARTMENT SHALL DETERMINE THE RENEWAL REGISTRATION FEE. THE INITIAL
35 REGISTRATION AND RENEWAL REGISTRATION FEES COLLECTED PURSUANT TO THIS
36 SECTION SHALL BE DEPOSITED IN THE LOCATOR REGISTRATION FUND ESTABLISHED BY
37 SUBSECTION F OF THIS SECTION.

38 D. A LOCATOR THAT RECEIVES UNCLAIMED PROPERTY ACCOUNT INFORMATION
39 FROM THE DEPARTMENT UNDER THIS SECTION MAY NOT DISTRIBUTE THAT INFORMATION
40 TO OTHER LOCATORS OR PERSONS, OTHER THAN THE OWNER, FOR COMPENSATION.

41 E. IF AN OWNER HAS ENTERED INTO A WRITTEN AGREEMENT THAT AUTHORIZES
42 A REGISTERED LOCATOR TO CLAIM THE UNCLAIMED PROPERTY ON THE OWNER'S BEHALF
43 OR IF THE OWNER HAS SOLD THE RIGHT TO CLAIM THE UNCLAIMED PROPERTY TO A
44 LOCATOR, THE DEPARTMENT SHALL DISTRIBUTE THE PROPERTY OR MONIES IN

1 ACCORDANCE WITH THAT WRITTEN AGREEMENT. THE OWNER MUST EXECUTE AND FILE
2 THE WRITTEN AGREEMENT WITH THE DEPARTMENT.

3 F. THE LOCATOR REGISTRATION FUND IS ESTABLISHED CONSISTING OF
4 MONIES RECEIVED FROM LOCATOR REGISTRATION AND RENEWAL FEES PURSUANT TO
5 THIS SECTION. THE DEPARTMENT SHALL ADMINISTER THE FUND. THE MONIES IN
6 THE FUND SHALL BE USED TO MONITOR LOCATORS UNDER THIS CHAPTER. MONIES IN
7 THE FUND ARE CONTINUOUSLY APPROPRIATED.