

BILL ANALYSIS

Senate Research Center
76R9905 WP-F

H.B. 3437
By: Isett (Nixon)
Jurisprudence
5/13/1999
Engrossed

DIGEST

Currently, Texas businesses must keep unclaimed property records for 10 years from the date on which the property is reportable. H.B. 3437 amends Section 74.103(b) (Retention of Records), Property Code, to reduce the record-keeping period to four years. Some individuals hire themselves out to find unclaimed property in exchange for a percentage of all recovered property. H.B. 3437 amends Section 74.507 (Fee for Recovery), Property Code, to prohibit such individuals from receiving a percentage of the value of any property, but does authorize such individuals to contract to receive an amount specifically stated in the contract for the recovery of property.

PURPOSE

As proposed, H.B. 3437 amends Section 74.103(b) (Retention of Records), Property Code, to reduce the record-keeping period to four years. Some individuals hire themselves out to find unclaimed property in exchange for a percentage of all recovered property, and amends Section 74.507 (Fee for Recovery), Property Code, to prohibit such individuals from receiving a percentage of the value of any property, but does authorize such individuals to contract to receive an amount specifically stated in the contract for the recovery of property.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 74.103(b), Property Code, to decrease from 10 years to four years, the number of years that the record must be kept from the date on which the property is reportable, regardless of whether the property is reported in the aggregate under Section 74.101 (Property Report), Property Code.

SECTION 2. Amends Section 74.507, Property Code, as follows:

Sec. 74.507. FEE FOR RECOVERY. Prohibits a person who informs a potential claimant that the claimant may be entitled to claim property that is reportable to the comptroller under this chapter, that has been reported to the comptroller, or that is in the possession of the comptroller, from contracting to receive from the claimant for services a percentage of the value of any property recovered. Existing law prohibits such a person from contracting for or receiving from the claimant an amount exceeding 10 percent of the value of the property recovered. Authorizes a person to contract to receive an amount specifically stated in the contract for recovery of property. Prohibits the person who informs a potential claimant and by contract or other written agreement is to receive a specified fee, rather than a percentage of the value of the property, from filing or receiving a form to claim or act on behalf of a claimant.

SECTION 3. Effective date: September 1, 1999. Provides that Section 74.103(b), Property Code, as amended by this Act, applies to any record required to be filed under that section before, on, or after the effective date of this Act. Makes application of Section 74.507, Property Code, prospective.

SECTION 4. Emergency clause.