

## **BILL ANALYSIS**

Senate Research Center  
78R4633 PB-D

H.B. 826  
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Business & Commerce  
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Engrossed

### **DIGEST AND PURPOSE**

The unclaimed property law, originally passed by the Texas Legislature in 1961, requires financial institutions, businesses, and government entities to report the state wages they are holding that are considered abandoned or unclaimed. The comptroller of public accounts is responsible for administering the Texas Unclaimed Property Program. Property is turned over to the comptroller's office annually when the owner's whereabouts are unknown and the property has been inactive on the books of the reporting company between three and five years. The comptroller's office acts only as custodian for the missing owners, holding the property in trust until it is claimed; Texas never takes legal ownership of the property. H.B. 826 reduces the dormancy period for wages less than or equal to \$100 to six months and those greater than \$100 to three years.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the Texas Workforce Commission in SECTION 1 (Section 61.102, Labor Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 61, Labor Code, by adding Subchapter G, as follows:

#### **SUBCHAPTER G. DISPOSITION OF UNCLAIMED WAGE PAYMENTS**

Sec. 61.101. WAGE PAYMENTS MADE IN CASH. Provides that, notwithstanding Section 72.101, Property Code, cash paid as wages is presumed abandoned if, for longer than six months if the amount in question is \$100 or less, or for longer than three years if the amount in question is greater than \$100:

- (1) the existence and location of the employee or former employee to whom the wages are owed is unknown to the employer liable for the payment of the wages; and
- (2) according to the knowledge and records of the employer liable for the payment of the wages, a wage claim has not been filed under this chapter.

Sec. 61.102. WAGE PAYMENTS MADE BY CHECK. Provides that, notwithstanding Section 73.102, Property Code, a check paid as wages is presumed to be abandoned by a certain date.

Sec. 61.103. DISPOSITION. Provides that an employer or former employer who holds unclaimed wage payments presumed to be abandoned under this subchapter is a "holder" for purposes of Chapter 74, Property Code, and is required to dispose of the unclaimed wage payments in the manner prescribed by that chapter.

Sec. 61.104. NOTICE. Requires the Texas Workforce Commission (TWC) to notify employers of the requirements of this subchapter in the manner prescribed by TWC by rule.

SECTION 2. Amends Section 74.001(a), Property Code, to provide that except as provided by

Subsection (b), this chapter applies to a holder of property that is presumed abandoned under:

- (1) Chapter 72, Chapter 73, or Chapter 75 of this code; or
- (2) Subchapter G, Chapter 61, Labor Code.

SECTION 3. Amends Section 74.101(a), Property Code, to make a conforming change.

SECTION 4. Effective date: September 1, 2003.