



**Proponent Testimony: House Bill 270**  
**House Finance Committee**  
**Cory Fleming**  
**Director, Legislative and Political Affairs, Ohio Credit Union League**

Chairman Oelslager, Vice Chair Scherer and Ranking Member Cera, my name is Cory Fleming and I am the Director of Legislative and Political Affairs at the Ohio Credit Union League, the state trade association representing the interests of Ohio's 261 federally and state-chartered credit unions. Thank you for allowing me to provide written testimony in support of House Bill 270.

As "holders" of our members' property, credit unions are required by state law to report and remit funds that are unclaimed to the Ohio Division of Unclaimed Funds, which is regulated by the Ohio Department of Commerce. A property qualifies as an "unclaimed fund" if they meet two criteria: (1) the item is money, a right to money, or intangible and (2) the owner has not indicated they own the funds within a specified period. The specified actions and the "dormancy period" vary depending on the type of property.

House Bill 270 provides regulatory relief for property holders by establishing a threshold value of \$100 for an item to qualify as unclaimed funds and thus be subject to the Unclaimed Funds Law. Establishing a \$100 threshold would specifically benefit holders by eliminating the following:

- The requirement to send a notice to the last known address of the owners of unclaimed funds having a value of \$50 or more, but less than \$100;
- The duty to pay to the Director of Commerce all unclaimed funds less than \$50;
- The duty to pay the Director of Commerce 10% of unclaimed funds worth \$50 or more.

The legislation also provides financial institutions clarity on when the dormancy period begins on certain investments held. Under current law, funds held that are subject to an automatic reinvestment and constitute dividends (i.e. certificate of deposits) become unclaimed funds if they are unclaimed for a period of five years. The bill would change the beginning of the dormancy period from the date a second notification of renewal is returned to the holder as undeliverable, to the date the automatic reinvestment matures. The maturity date is five years after the expiration of the initial time period. Following maturity, an owner has five years to act or respond to a mailing.

Account owners will also benefit from House Bill 270 as it requires the Director of Commerce to set up an online platform to make recovering property easier. It also creates an affidavit to allow the heirs or next of kin of a decedent to claim their unclaimed funds without a letter of administration to be issued upon the estate. These changes should close the nearly \$200 million gap in fiscal year 2017 between funds that were remitted versus funds that were returned to the property owners.

In summary, the changes to Ohio's Unclaimed Funds Law included in House Bill 270 will save Ohio's credit unions time and effort, and better connect members with their property. We commend Representative Merrin for his diligence in working on this piece of legislation. We'd also like to thank the Ohio Department of Commerce and the Division of Unclaimed Funds for being responsive and informative during the legislative process.

I am happy to address any questions the committee may have. Thank you.