



Testimony

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De Minimis Abandoned Property House Bill 2196

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House Tax Committee**

The Unified Government of Wyandotte County/Kansas City supports House Bill 2196 because it will make government more efficient and save money in the accounting and administration of unclaimed property, specifically uncashed checks written for \$20 or less.

Under current state law, when the Unified Government issues a check to a person or business that goes uncashed for two years, we are required to follow a number of steps which are time consuming and expensive. A letter is required to be sent to the holder of the check. If the that person can't be found, the money is ultimately sent to the State Treasurer and kept in the unclaimed property fund.

Let me give an example of just one Unified Government account. The Inmate Trust Fund is the account which holds money given to people housed in the Wyandotte County Jail for the jail commissary or other needs. That account has nearly 1,300 outstanding checks dating back two years that have not been cashed. Those checks are tracked each month and will ultimately be turned over to the State Treasurer.

Of those nearly 1,300 checks, more than 90% of them are written for less than \$20. 74.3% were written for less than \$5. 45.3% are for less than \$1. In fact 9.8% or 125 of those checks are for less than 10-cents.

House Bill 2196 proposes that a de minimis amount be set for unclaimed checks \$20 or less. If such a check is not cashed within a year, the check would be voided and the money would be put into the general fund of the city or county.