

ACLU OF RI POSITION: AMEND

**TESTIMONY ON 24-H 7976,
RELATING TO CONDITIONAL ESCHEAT OF UNCLAIMED FUNDS
IN COURT REGISTRIES
April 4, 2024**

We understand that this legislation is an attempt by the Judiciary to update procedures relating to the receipt of unclaimed money being held by the courts. However, we urge the committee to consider a few amendments that we believe will better protect the rights of individuals who may be entitled to that money. We briefly summarize our suggestions below:

1. As drafted, the bill would eliminate the current requirement of paying accrued interest to a plaintiff who is found to be entitled to the held money. [Page 2, line 32 – Page 3, line 2]. It is our understanding from testimony submitted on this bill on the Senate side that this may have been a drafting error and the provisions related to interest will be reinstated. We support such a revision.

2. Unclaimed money is transferred to the courts' general fund subject to repayment to any person who establishes a claim to the money by filing a claim in the Superior Court in a timely manner. Under current law, if the claimant is unsuccessful in establishing a claim to the deposit there, there is no recourse. In contrast, if the claimant is successful, the Attorney General has the right to seek review by the Supreme Court. In updating the law, we believe this imbalance in remedies should be rectified so that claimants have a right similar to the Attorney General to seek review by the Supreme Court if their claim is denied.

3. Under the statutory scheme presently in place, deposits do not become "unclaimed" until at least five years have passed. At that point, they are transferred to the courts' general fund subject

to repayment to any person who establishes in court a claim to the money. The bill reduces the five-year time period to one year and appears to provide an alternative option of escheating the money to the general treasurer instead of placing it into the general fund. As far as we know, the court does not provide the mechanism the general treasurer does of maintaining a database that allows individuals to see whether any unclaimed money is awaiting them in the general fund. If our understanding is correct, then we believe, absent other reasons for placing the money in the court's general fund, all such money should be sent to the treasurer so that individuals can more easily check if money in their name is being held.

The ACLU recognizes that maintenance of court registries is expensive and time-consuming, and that consolidation of funds management may serve a number of court interests. But we believe the changes recommended above will provide a fairer system recognizing that money deposited in the court registries, by definition, is not money owed to or owned by the court system.

Thank you for considering our views.

Submitted by:
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