

Do you have unclaimed property?

It might be a dormant bank or investment account, an individual stock, or an insurance check. It could be unused travelers' checks or even a balance on a gift card.

Today some states with burgeoning deficits, hunting for sources of easy revenue in hard times, are becoming more aggressive in scooping up certain property when there's been a dearth of activity in connection with it. What is scooped up can turn out to be no small line item in a budget: For example, seized property accounted for the third-largest source of revenue in Delaware in its last fiscal year.

What a state considers to be the necessary period of inactivity to permit seizure of property may surprise you. It's often five years, but the trend is downward, and is as little as three years in some states.

Reclaiming seized property

Theoretically, states take possession of "abandoned property" to keep it safe until claimed, and they are required to seek out its owners. Some states take an aggressive approach to attempting to find owners and return their property. Others are relatively passive, so results vary. The percentages returned can run from nearly 50% (Iowa) to single digits (Delaware).

An owner who discovers that property has been seized always can step forward and file with the state to reclaim it. But proving ownership generally requires filling out a great deal of paperwork—and then waiting, adding to the time that the asset doesn't earn interest or appreciate in value as it might if the state hadn't stepped in. If the property is stock or jewelry (typically, from a safe deposit box), it may be sold shortly after acquisition by the state.

There's no time limit as to when an owner can claim his or her property. Heirs, in most cases, also have a right to make a claim, although that may prove especially difficult and time consuming.

Review and research

To avoid any unpleasant surprises, make small deposits to or withdrawals from accounts for which there has been no recent activity. Check up on accounts that grandparents or others may have opened for your children for college. And when you have joint accounts with senior family members who are not likely to have made any transactions recently, find out

when the last one took place.

Visit www.missingmoney.com, the Web site of the National Association of Unclaimed Property Administrators. It's a very practical and simple way to find out if there is money owed to you or your family. Unfortunately, not all states are in the NAUPA database, although more are joining, and the number is approaching 40. (To find out if your state participates go to www.missingmoney.com/Main/StateSites.cfm.)

But even if your state isn't in the database, it's still worth a visit to the Web site if you have lived in other states over the years. You've nothing to lose, and who knows how much to gain.

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Any developments occurring after January 1, 2014, are not reflected in this article.