COMMONWEALTH OF KENTUCKY
OFFICE OF THE STATE TREASURER
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September 8, 2026

RECEIVED
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ARRS

Senator Michael Nemes
Representative David Hale
Representative D.J. Johnson
c/o Legislative Research Commission
083, Capitol Annex
702 Capitol Avenue
Frankfort, KY 4060

Re: 20 KAR 1:050. Unclaimed property; examination of holder records.
20 KAR 1:060. Unclaimed property; safe deposit boxes or other safekeeping repositories.
20 KAR 1:080. Reports to be filed by holders of unclaimed property.

Dear State Government Interim Joint Committee Co-Chairs,

After consideration of the issues raised by interested parties following the conclusion of the public comment period, the Kentucky State Treasury proposes the attached agency amendment to this ordinary administrative regulation.

SUMMARY OF AMENDMENTS

20 KAR 1:050: The agency amendment clarifies the circumstances after which estimation may be used the department when determining holder liability relative to unclaimed property. The amendment limits the proposed circumstances to only those allowed by statute. The agency amendment also supplements the related authority to include KRS 393A.600.

20 KAR 1:060: The agency amendment supplements the related authority to include KRS 393A.360. Additionally, the agency amendment modifies the safe deposit box inventory procedures granting regulated entities the ability to request that the department conduct an inventory of the property delivered to the department. Absent such a request, the department would not be obligated to conduct an inventory unless cash or coin were reported in the contents of the Holder report.

20 KAR 1:080: The agency amendment modifies the time frame within which holders are obligated to send written notices to property owners consistent with Kentucky statutes. The agency amendment further amends the time period during which holders must retain its records for property reported in the aggregate to seven (7) years.

Sincerely,

Robert L. Gullette III
Deputy General Counsel

Agency Amendment
[State Government IJC - September 8, 2026]

DEPARTMENT OF TREASURY
Kentucky State Treasurer's Office
Unclaimed Property Division

20 KAR 1:060. Unclaimed property; safe deposit boxes or other safekeeping repositories.

RELATES TO: KRS 393A.010, 393A.040***[~~, 393A.050, 393A.060, 393A.070, 393A.080, 393A.090, 393A.100,~~]***393A.110, 393A.220, ***393A.360,*** 393A.400, 393A.410[~~393.010, 393.020, 393.050, 393.060, 393.062, 393.064, 393.090, 393.110, 393.120~~]
STATUTORY AUTHORITY: KRS 393A.030[~~393.280~~]
CERTIFICATION STATEMENT: This is to certify that this administrative regulation complies with the requirements of 2025 RS HB 6, Section 8.
NECESSITY, FUNCTION, AND CONFORMITY: ***KRS 393A.030 authorizes the State Treasurer to promulgate administrative regulations necessary to implement KRS Chapter 393A.*** This administrative regulation relates to the reporting, inventory, safekeeping, and liquidation of unclaimed property from holders who maintain safe deposit or other safekeeping repositories.

Section 1. Pursuant to KRS Chapter 393A[~~393~~], every holder maintaining safe deposit boxes or other safekeeping repositories located in the Commonwealth shall report to the department with an inventory of property in its possession ***that[~~which~~]*** constitute unclaimed funds.

(1) An inventory report shall be submitted for each safe deposit box or safekeeping repository. Each report shall be signed by two (2) officials of the holding company who opened the safe deposit box or safekeeping repository and conducted the inventory. Each report shall include a statement containing the following information:

(a) The name, last known address, and Social Security number of owner;

(b) The expiration date of the lease or rental agreement for such safe deposit box or other safekeeping depository;

(c) The date of opening of such safe deposit box or other safekeeping repository;

(d) The number or identifying description of the safe deposit box or other safekeeping repository;

(e) A detailed list describing each item therein, including the corresponding safe keeping codes;

(f) The name and address of the holder reporting the property; and

(g) The names, signatures, and official positions of the two (2) holding company employees who opened the box and conducted the inventory.

(2) The property of each safe deposit box or safekeeping repository shall be placed in an individual self-sealing, clear envelope, bag, or similar container[~~envelope~~]. A copy of the holder inventory report shall be placed in the clear envelope. The clear envelope shall be sealed and initialed on the reverse side by the two (2) holding company employees who conducted the inventory. The name of the owner of the box, date, and holder name shall be printed on the reverse side of the clear envelope. Transparent sealing tape (of the strong bonding type) shall be placed over the flap of the envelope. A second copy of the holder inventory report shall be attached to the front of the clear envelope.

(3) A holder shall submit its unclaimed property report to the department by electronic submission through the department's designated online portal, in the format prescribed by the department ***at https://kyholder.unclaimedproperty.com/Account/Login***.[~~The holder shall mail a copy of the report(s) and notify the department of pending delivery of property.~~]

(4) At least five (5) business days prior to the physical delivery of property, a holder shall notify

the department of its intent to deliver the property. The notification shall include the anticipated date of delivery and the method of delivery.
(5) Property delivered to the department shall be packaged in a secure and appropriate manner based on the nature of the property to prevent damage, loss, or deterioration during handling and transit. Holders shall exercise reasonable care in the preparation and shipment of property, including items that may have monetary or sentimental value.
(6) Failure to comply with the requirements of this ***[~~sub~~]***section may result in the department rejecting the report or delivery, requiring resubmission, or taking other action as authorized by KRS 393 and KRS 393A.
(7)[~~(4)~~] The holder shall be responsible for the secured delivery of the contents of each safe deposit box or other safekeeping repository to the department. The department may take direct delivery from the holder at the holder's place of business or residence.

Section 2. Upon receipt of the contents of the safe deposit ***box[~~box(es)~~]*** or other safekeeping ***repository[~~repository(ies)~~]***[~~, along with the inventory report(s)~~], the department shall review the inventory reports of property delivered and secure the properties in the vault. For those properties that are reported to contain coins and paper money, the Department shall[~~immediately~~] conduct an inventory of property delivered, verify ***the*** holder ***report[~~report(s)~~]***, and determine if the coins and paper money have numismatic value.[~~secure property in the department vault.~~] ***Additionally, if specifically requested to do so by the Holder, the Department shall conduct an inventory of the property delivered, verifying the presence of each item identified by the Holder in the accompanying Holder report.***
(1) The inventory shall be conducted by two (2) department employees**,** each of whom shall have the security of the property within the vault as one ***(1)*** of ***his or her[~~their~~]*** primary responsibilities[~~with appropriate supervision~~]. The Department shall not be required to inventory properties whose inventory does not indicate the presence of coins or paper money***, unless specifically requested to do so by Holder.***
(2) The contents of each envelope inventoried ***shall[~~will~~]*** be separated into the following groups:
(a) BBOND Bearer Bonds;[~~TNG - jewelry with gemstones, watches and other valuables;~~]
(b) COIN Coins;[~~MNY - coins and paper money (foreign & domestic) which have numismatic value;~~]
(c) CRCY Currency;[~~STK - stock certificates;~~]
(d) DISK Electronic Media;[~~BND - U.S. Savings Bonds;~~]
(e) EMPY Empty;[~~INS - insurance policies;~~]
(f) FIRE Firearms;[~~CSH - Coins and paper money which do not have numismatic value;~~]
(g) JEWL Jewelry;[~~DST - items of no value; and~~]
(h) MILI Military Items;[~~OTH - military discharge, birth certificate; photos, etc.~~]
(i) MISC Miscellaneous Items;
(j) PAPR Papers;
(k) SAVB Savings Bonds;
(l) SILV Pure Silver;
(m) STCK Stock;
(n) STMP Stamps;
(o) TRVL Travelers Checks & Money Orders;
(p) WACH Watches, and;
(q) WILL Last Will and Testament.
(3) Each item shall be assigned an identification or serial number. A property tag shall be prepared for each group with an assigned owner identification or serial number, name of owner, and Social Security number if available.[~~The groups of tangible property will be placed in individually secured plastic bags. The groups of intangible property shall placed into folders.~~] The items ***shall[~~will~~]*** be placed together in a sealed container.

(4) A detailed department inventory statement shall be completed for each safety deposit box or safekeeping repository envelope received. The Department may use the inventory report provided by the Holder to satisfy this requirement when the presence of coins or paper money is not indicated. Each statement shall include the following information:

(a) The name and last known address of the ***owner[~~owner(s)~~]***;

(b) The name and address of holder reporting the property;

(c) Date of delivery and holder inventory;

(d) Date of holder inventory;

(e) Number or identifying description of the safe deposit box or safekeeping repository;

(f) Date of department inventory;

(g) A detailed list describing each item therein, separated into groups as ***established[~~stated~~]*** in subsection (2) of this section;

(h) The assigned holder identification or serial number; ***and***

(i) The assigned owner identification or serial number.***[~~; and~~]***

(5)[~~(j)~~] The department shall audit the property against the inventory. Two (2) department employees who conducted the inventory shall verify the accuracy of the property and shall evidence ***the[~~such~~]*** verification by initialing the activity within the department's system.[~~An official note signed by department employees, who conducted the inventory, verifying accuracy of holder report. The note shall be signed for approval by a supervisor.~~]

(6)[~~(k)~~] Nothing in this section shall be construed to prevent the Department from effectuating these procedures through an electronic means or format.

(7)[~~(5)~~] Property shall be secured in the department vault for safekeeping purposes. Tangible property shall be retained for a period of three (3) years and then may be put to public auction, pursuant to KRS Chapter 393A[~~393~~], and proceeds, less costs, paid to the state. Intangible property shall be retained for a period of one (1) year, then liquidated and the proceeds, less costs, paid to the state. Owners of property shall be credited for the amount received through liquidation or auction.

(a) Coins and paper money not of numismatic value shall be deposited for the state immediately and a copy of all documentation reasonably necessary to verify the deposit amount and date shall be linked to the owner in the Department's electronic tracking software and maintained in any other way ***the department deems[~~they deem~~]*** appropriate and necessary[~~the pay-in voucher placed in owner's file~~].***[~~;~~]***

(b) Miscellaneous papers or property of no value shall be retained for a period of three (3) years and, then, destroyed.

(c) The Kentucky Historical Society may[~~shall~~] be contacted for determination of items of historical value. Papers or property determined to have historical value shall be retained and may be loaned to the society.

(8)[~~(6)~~] The department shall maintain an accurate inventory and essential information through entry into the computer.

(9)[~~(7)~~] The department shall direct that two (2) employees be present at all times when handling property. Security of property in the vault shall be maintained by the following procedure:

(a) Two (2) employees shall receive written or verbal authorization from a supervisor prior to entry to the vault; and

(b) The employees shall maintain a log of:

1. Their entry time and date; exit time and date; and

2. Their purpose in accessing the vault for every instance.[~~state in writing the purpose, property to be handled, the time and date.~~]

FISCAL IMPACT STATEMENT

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation:

KRS 61.876; KRS 393A.030

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act:

Yes, KRS 393A.030 specifically authorizes the promulgation of administrative regulations.

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions:

Kentucky State Treasury

(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):

1. Expenditures:

For the first year: No additional cost will be incurred in association with the requested amendment to the existing administrative regulations.

For subsequent years: No additional cost will be incurred in association with the requested amendment to the existing administrative regulations.

2. Revenues:

For the first year: No additional revenues will be received in association with the requested amendment to the existing administrative regulations.

For subsequent years: No additional revenues will be received in association with the requested amendment to the existing administrative regulations.

3. Cost Savings:

For the first year: No cost savings will be gained in association with the requested amendment to the existing administrative regulations.

For subsequent years: No cost savings will be gained in association with the requested amendment to the existing administrative regulations.

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts):

None.

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:

For the first year: N/A

For subsequent years: N/A

2. Revenues:

For the first year: N/A

For subsequent years: N/A

3. Cost Savings:

For the first year: N/A

For subsequent years: N/A

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a):

None.

(b) Estimate the following for each regulated entity identified in (5)(a):

1. Expenditures:

For the first year: N/A

For subsequent years: N/A

2. Revenues:

For the first year: N/A

For subsequent years: N/A

3. Cost Savings:

For the first year: N/A

For subsequent years: N/A

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a)

(a) Fiscal impact of this administrative regulation:

No impact.

(b) Methodology and resources used to reach this conclusion:

The agency conducted an examination of existing administrative regulations and the requested modifications of same. Following that examination, those most affected by the administrative regulations determined that the modifications requested would not significantly change the existing practices of the agency or the costs associated with complying with the administrative regulations as amended.

(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a "major economic impact", as defined by KRS 13A.010(14):

The administrative regulation will NOT have a "major economic impact", as defined by KRS 13A.010.

(b) The methodology and resources used to reach this conclusion:

The agency conducted an examination of existing administrative regulations and the requested modifications of same. Following that examination, those most affected by the administrative regulations determined that the modifications requested would not significantly change the existing practices of the agency or the costs associated with complying with the administrative regulations as amended.