



Unclaimed IOLTA Funds Revisited

I first wrote about SB 687 in my post of [October 16, 2009](#). This legislation continues the requirement of **reporting** unclaimed IOLTA funds to the Oregon Department of State Lands (DSL), but specifies that proceeds should be **paid** to the Oregon State Bar (OSB).

From its inception on January 1, 2010, practitioners found the law confusing. Many could not reconcile the two actions: send your paperwork to the DSL, give the unclaimed funds to the bar. The process was not made easier by the lack of information on the [DSL](#) and [OSB](#) Web sites.

Thankfully, the [OSB](#) posted this over Mother's Day weekend May 2010:

Abandoned Client Funds Appropriated to the OSB for Legal Services to the Poor

Until this year, once funds in a lawyer's trust account were deemed abandoned, they were turned over to the Department of State Lands (DSL). But new amendments to the Uniform Disposition of Unclaimed Property Act (ORS 98.302 to 98.436) enacted by the 2009 Legislature have changed how this money is appropriated and disbursed.

Effective January 1, 2010, unclaimed funds held in lawyer trust accounts must be *reported* to the DSL, but *paid over* to the Oregon State Bar with a copy of the DSL reports. The reporting forms can be found on the DSL website at www.oregon.gov/DSL/UP/upforms.shtml. Forms 1a and 2a must be completed and sent to the DSL with copies of the reports and the unclaimed funds forwarded to the OSB.

Pursuant to ORS 98.332, funds held by a fiduciary are deemed abandoned if the owner has not accepted payment of the funds, corresponded in writing about the funds or otherwise indicated interest in the funds within two years after the funds are payable or distributable to the owner. Funds deemed abandoned as of June 30 of each year are to be reported to the DSL during the month of October of that same year, although earlier reporting may be allowed upon written request.

The money paid to the bar under the act will be appropriated to the Legal Services program, which funds legal services to the poor statewide. Questions about forwarding abandoned funds can be addressed to Judith Baker at (503) 431-6326 or jbaker@osbar.org.

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