

H.550 – Proposed Revisions

1 § 1461. WHEN PROPERTY PRESUMED ABANDONED

2 Subject to section 1469 of this title, the following property is presumed
3 abandoned if it is unclaimed by the apparent owner during the period specified
4 below:

5 (1) a traveler’s check, 15 years after issuance;

6 (2) a money order, seven years after issuance;

7 (3) a state or municipal bond, bearer bond, or original-issue-discount
8 bond, three years after the earliest of the date the bond matures or is called or
9 the obligation to pay the principal of the bond arises;

10 (4) a debt of a business association, three years after the obligation to
11 pay arises;

12 (5) a payroll card or demand, savings, or time deposit, ~~other than amounts-~~
| ~~held on a payroll card, but~~ including a deposit that is automatically renewable,
| three years after the maturity of the deposit, except a deposit that is automatically
1 renewable is deemed matured on its initial date of maturity unless the apparent
2 owner consented in a record on file with the holder to renewal at or about the
3 time of the renewal;

4 (6) money or a credit owed to a customer as a result of a retail business
5 transaction, three years after the obligation arose;

6 (7) an amount owed by an insurance company on a life or endowment
7 insurance policy or an annuity contract that has matured or terminated, three
8 years after the obligation to pay arose under the terms of the policy or contract

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9 or, if a policy or contract for which an amount is owed on proof of death has
10 not matured by proof of the death of the insured or annuitant, as follows:

11 (A) with respect to an amount owed on a life or endowment
12 insurance policy, three years after the earlier of the date:

13 (i) the insurance company has knowledge of the death of the
14 insured; or

15 (ii) the insured has attained, or would have attained if living, the
16 limiting age under the mortality table on which the reserve for the policy is
17 based; and

18 (B) with respect to an amount owed on an annuity contract, three
19 years after the date the insurance company has knowledge of the death of the
20 annuitant;

1 (8) property distributable by a business association in the course of
2 dissolution, one year after the property becomes distributable;

3 (9) property held by a court, including property received as proceeds of
4 a class action, one year after the property becomes distributable;

5 (10) property held by a government or governmental subdivision,
6 agency, or instrumentality, including municipal bond interest and unredeemed
7 principal under the administration of a paying agent or indenture trustee, one
8 year after the property becomes distributable;

9 (11) wages, commissions, bonuses, or reimbursements to which an
10 employee is entitled, or other compensation for personal services, ~~including other~~
11 ~~than~~ amounts held ~~on~~-in a payroll card, one year after the amount becomes payable;

12 (12) a deposit or refund owed to a subscriber by a utility, one year after

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13 the deposit or refund becomes payable; and

14 (13) property not specified in this section or section 1462, 1463, 1464,
15 1465, 1466, or 1467 of this title, the earlier of three years after the owner first
16 has a right to demand the property or the obligation to pay or distribute the
17 property arises.

18 § 1462. WHEN TAX-DEFERRED RETIREMENT ACCOUNT PRESUMED

19 ABANDONED

20 (a) Subject to section 1469 of this title, property held in a pension account
21 or retirement account that qualifies for tax deferral under the income-tax laws
1 of the United States is presumed abandoned if it is unclaimed by the apparent
2 owner three years after ~~the later of~~:

3 (1) ~~the later of~~ the following dates:

4 (A) except as in subdivision (B) of this subdivision (1), the date a
5 second consecutive communication sent by the holder by first-class U.S. mail
6 to the apparent owner is returned to the holder undelivered by the U.S. Postal
7 Service; or

8 (B) if the second communication is sent later than 30 days after the
9 date the first communication is returned undelivered, the date the first
10 communication was returned undelivered by the U.S. Postal Service; or

11 (2) the earlier of the following dates:

12 (A) the date the apparent owner becomes ~~70.572~~ years of age, if
13 determinable by the holder; or

14 (B) if the Internal Revenue Code, as may be amended, 26 U.S.C.

15 § 1 et seq., requires distribution to avoid a tax penalty, two years after the date

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16 the holder:

17 (i) receives confirmation of the death of the apparent owner in the
18 ordinary course of its business; or

19 (ii) confirms the death of the apparent owner under subsection (b)
20 of this section.

1 (b) If a holder in the ordinary course of its business receives notice or an
2 indication of the death of an apparent owner and subdivision (a)(2) of this
3 section applies, the holder shall attempt not later than 90 days after receipt of
4 the notice or indication to confirm whether the apparent owner is deceased.

5 (c) If the holder does not send communications to the apparent owner of an
6 account described in subsection (a) of this section by first-class U.S. mail, the
7 holder shall attempt to confirm the apparent owner’s interest in the property by
8 sending the apparent owner an electronic-mail communication not later than
9 two years after the apparent owner’s last indication of interest in the property.
10 However, the holder promptly shall attempt to contact the apparent owner by
11 first-class U.S. mail if:

12 (1) the holder does not have information needed to send the apparent
13 owner an electronic mail communication or the holder believes that the
14 apparent owner’s electronic mail address in the holder’s records is not valid;

15 (2) the holder receives notification that the electronic-mail
16 communication was not received; or

17 (3) the apparent owner does not respond to the electronic-mail
18 communication not later than 30 days after the communication was sent.

19 (d) If first-class U.S. mail sent under subsection (c) of this section is

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20 returned to the holder undelivered by the U.S. Postal Service, the property is
21 presumed abandoned three years after the later of:

1 (1) except as in subdivision (2) of this subsection, the date a second
2 consecutive communication to contact the apparent owner sent by first-class
3 U.S. mail is returned to the holder undelivered;

4 (2) if the second communication is sent later than 30 days after the date
5 the first communication is returned undelivered, the date the first
6 communication was returned undelivered; or

7 (3) the date established by subdivision (a)(2) of this section.

1 ***

1 § 1469. INDICATION OF APPARENT OWNER INTEREST IN
2 PROPERTY

3 (a) The period after which property is presumed abandoned is measured
4 from the later of:

5 (1) the date the property is presumed abandoned under this subchapter;
6 or

7 (2) the latest indication of interest by the apparent owner in the
8 property.

9 (b) Under this chapter, an indication of an apparent owner’s interest in
10 property includes:

1 (1) a record communicated by the apparent owner to the holder or agent
2 of the holder concerning the property or the account in which the property is
3 held;

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4 (2) an oral communication by the apparent owner to the holder or agent
5 of the holder concerning the property or the account in which the property is
6 held, if the holder or its agent contemporaneously makes and preserves a
7 record of the fact of the apparent owner’s communication;

8 (3) presentment of a check or other instrument of payment of a
9 dividend, interest payment, or other distribution, or evidence of receipt of a
10 distribution made by electronic or similar means, with respect to an account,
11 underlying security, or interest in a business association;

12 (4) activity directed by an apparent owner in the account in which the
13 property is held, or in another account of the owner's held by the same business
14 association or financial organization, including accessing the account or
15 information concerning the account, or a direction by the apparent owner to
16 increase, decrease, or otherwise change the amount or type of property held in the
17 account;

18 (5) a deposit into or withdrawal from an account at a financial
19 organization, including an automatic deposit or withdrawal previously
20 authorized by the apparent owner other than an automatic reinvestment of
21 dividends or interest;

22 (6) subject to subsection (e) of this section, payment of a premium on an
23 insurance policy;

1 (7) in the case of any demand, savings, or matured time deposits with a
2 banking or financial organization, including deposits that are automatically
3 renewable, the holder has sent the owner by first-class U.S. mail a statement of
4 account or other associated mailing from the bank or financial institution,

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5 which has not been returned by the U.S. Postal Service as undeliverable. In
6 the event the mailing was returned as undeliverable, the property shall be
7 considered abandoned three years after the return, unless the owner during that
8 three years takes any action described in subsection (b) of this section; and

9 (8) any other action by the apparent owner that reasonably demonstrates
10 to the holder that the apparent owner knows that the property exists.

11 (c) An action by an agent or other representative of an apparent owner,
12 other than the holder acting as the apparent owner’s agent, is presumed to be
13 an action on behalf of the apparent owner.

14 (d) A communication with an apparent owner by a person other than the
15 holder or the holder’s representative is not an indication of interest in the
16 property by the apparent owner unless a record of the communication
17 evidences the apparent owner’s knowledge of a right to the property.

18 (e) If the insured dies or the insured or beneficiary of an insurance policy
19 otherwise becomes entitled to the proceeds before depletion of the cash
20 surrender value of the policy by operation of an automatic-premium-loan
1 provision or other nonforfeiture provision contained in the policy, the
2 operation does not prevent the policy from maturing or terminating.

1 Sec. 3. EFFECTIVE DATE

2 This act shall take effect on January 1, ~~2020~~2021.