



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB2677

by Rep. Michael J. Zalewski

SYNOPSIS AS INTRODUCED:

765 ILCS 1026/15-201
765 ILCS 1026/15-210
765 ILCS 1026/15-503
765 ILCS 1026/15-603
765 ILCS 1026/15-1002.1
765 ILCS 1026/15-1004
765 ILCS 1026/15-1401
765 ILCS 1026/15-1402

Amends the Revised Uniform Unclaimed Property Act. Makes changes concerning the time and circumstances under which financial organization deposits are presumed abandoned. Makes changes in provisions governing extending the reporting date of certain reported renewable time deposits. Deletes language requiring a holder to inform the administrator to provide a telephone number to contact the administrator to inquire about or claim property. Provides that the administrator does not need to notify the Department of Revenue of the names or social security numbers of apparent owners of abandoned property if he or she reasonably believes that the Department of Revenue will be unable to provide information that would provide sufficient evidence to establish that the person in the Department of Revenue's records is the apparent owner of unclaimed property in the custody of the administrator. Provides that the State Treasurer may, at reasonable times and upon reasonable notice: (1) examine the records of specified types of financial organizations under certain conditions; (2) issue an administrative subpoena requiring the financial organization to make records available for examination; and (3) bring an action seeking judicial enforcement of the subpoena. Provides that records obtained in examinations of State-regulated financial organizations are subject to the same provisions concerning use and confidentiality as records obtained in examinations of other persons. Makes other changes. Effective immediately.

LRB101 06901 LNS 51933 b

1 AN ACT concerning civil law.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Revised Uniform Unclaimed Property Act is
5 amended by changing Sections 15-201, 15-210, 15-503, 15-603,
6 15-1002.1, 15-1004, 15-1401, and 15-1402 as follows:

7 (765 ILCS 1026/15-201)

8 Sec. 15-201. When property presumed abandoned. Subject to
9 Section 15-210, the following property is presumed abandoned if
10 it is unclaimed by the apparent owner during the period
11 specified below:

12 (1) a traveler's check, 15 years after issuance;

13 (2) a money order, 3 ~~7~~ years after issuance;

14 (3) any instrument on which a financial organization or
15 business association is directly liable, 3 years after
16 issuance;

17 (4) a state or municipal bond, bearer bond, or
18 original-issue-discount bond, 3 years after the earliest
19 of the date the bond matures or is called or the obligation
20 to pay the principal of the bond arises;

21 (5) a debt of a business association, 3 years after the
22 obligation to pay arises;

23 (6) financial organization deposits as follows:

1 (i) a demand deposit, 3 years after the date of the
2 last indication of interest in the property by the
3 apparent owner;

4 (ii) a savings deposit, 3 years after the date of
5 last indication of interest in the property by the
6 apparent owner;

7 (iii) a time deposit for which the owner has not
8 consented to automatic renewal of the time deposit, 5
9 years after the date of last indication of interest in
10 the property by the apparent owner;

11 (iv) an automatically renewable time deposit for
12 which the owner consented to the automatic renewal in a
13 record on file with the holder, 5 years after the date
14 of last indication of interest in the property by the
15 apparent owner, following the completion of the
16 initial term of the time deposit and one automatic
17 renewal term of the time deposit ~~a demand, savings, or~~
18 ~~time deposit, 3 years after the later of maturity or~~
19 ~~the date of the last indication of interest in the~~
20 ~~property by the apparent owner, except for a deposit~~
21 ~~that is automatically renewable, 3 years after its~~
22 ~~initial date of maturity unless the apparent owner~~
23 ~~consented in a record on file with the holder to~~
24 ~~renewal at or about the time of the renewal;~~

25 (7) money or a credit owed to a customer as a result of
26 a retail business transaction, other than in-store credit

1 for returned merchandise, 3 years after the obligation
2 arose;

3 (8) an amount owed by an insurance company on a life or
4 endowment insurance policy or an annuity contract that has
5 matured or terminated, 3 years after the obligation to pay
6 arose under the terms of the policy or contract or, if a
7 policy or contract for which an amount is owed on proof of
8 death has not matured by proof of the death of the insured
9 or annuitant, as follows:

10 (A) with respect to an amount owed on a life or
11 endowment insurance policy, the earlier of:

12 (i) 3 years after the death of the insured; or

13 (ii) 2 years after the insured has attained, or
14 would have attained if living, the limiting age
15 under the mortality table on which the reserve for
16 the policy is based; and

17 (B) with respect to an amount owed on an annuity
18 contract, 3 years after the death of the annuitant.

19 (9) funds on deposit or held in trust pursuant to the
20 Illinois Funeral or Burial Funds Act, the earliest of:

21 (A) 2 years after the date of death of the
22 beneficiary;

23 (B) one year after the date the beneficiary has
24 attained, or would have attained if living, the age of
25 105 where the holder does not know whether the
26 beneficiary is deceased;

1 (C) 40 years after the contract for prepayment was
2 executed;

3 (10) property distributable by a business association
4 in the course of dissolution or distributions from the
5 termination of a retirement plan, one year after the
6 property becomes distributable;

7 (11) property held by a court, including property
8 received as proceeds of a class action, 3 years after the
9 property becomes distributable;

10 (12) property held by a government or governmental
11 subdivision, agency, or instrumentality, including
12 municipal bond interest and unredeemed principal under the
13 administration of a paying agent or indenture trustee, 3
14 years after the property becomes distributable;

15 (13) wages, commissions, bonuses, or reimbursements to
16 which an employee is entitled, or other compensation for
17 personal services, including amounts held on a payroll
18 card, one year after the amount becomes payable;

19 (14) a deposit or refund owed to a subscriber by a
20 utility, one year after the deposit or refund becomes
21 payable, except that any capital credits or patronage
22 capital retired, returned, refunded or tendered to a member
23 of an electric cooperative, as defined in Section 3.4 of
24 the Electric Supplier Act, or a telephone or
25 telecommunications cooperative, as defined in Section
26 13-212 of the Public Utilities Act, that has remained

1 unclaimed by the person appearing on the records of the
2 entitled cooperative for more than 2 years, shall not be
3 subject to, or governed by, any other provisions of this
4 Act, but rather shall be used by the cooperative for the
5 benefit of the general membership of the cooperative; and

6 (15) property not specified in this Section or Sections
7 15-202 through 15-208, the earlier of 3 years after the
8 owner first has a right to demand the property or the
9 obligation to pay or distribute the property arises.

10 Notwithstanding anything to the contrary in this Section
11 15-201, and subject to Section 15-210, a deceased owner cannot
12 indicate interest in his or her property. If the owner is
13 deceased and the abandonment period for the owner's property
14 specified in this Section 15-201 is greater than 2 years, then
15 the property, other than an amount owed by an insurance company
16 on a life or endowment insurance policy or an annuity contract
17 that has matured or terminated, shall instead be presumed
18 abandoned 2 years from the date of the owner's last indication
19 of interest in the property.

20 (Source: P.A. 100-22, eff. 1-1-18; 100-566, eff. 1-1-18.)

21 (765 ILCS 1026/15-210)

22 Sec. 15-210. Indication of apparent owner interest in
23 property.

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

1 (1) the date the property is presumed abandoned under
2 this Article; or

3 (2) the latest indication of interest by the apparent
4 owner in the property.

5 (b) Under this Act, an indication of an apparent owner's
6 interest in property includes:

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

10 (2) an oral communication by the apparent owner to the
11 holder or agent of the holder concerning the property or
12 the account in which the property is held, if the holder or
13 its agent contemporaneously makes and preserves a record of
14 the fact of the apparent owner's communication;

15 (3) presentment of a check or other instrument of
16 payment of a dividend, interest payment, or other
17 distribution, or evidence of receipt of a distribution made
18 by electronic or similar means, with respect to an account,
19 underlying security, or interest in a business
20 association;

21 (4) activity directed by an apparent owner in the
22 account in which the property is held, including accessing
23 the account or information concerning the account, or a
24 direction by the apparent owner to increase, decrease, or
25 otherwise change the amount or type of property held in the
26 account;

1 (5) a deposit into or withdrawal from an account at a
2 financial organization, except for a recurring Automated
3 Clearing House (ACH) debit or credit previously authorized
4 by the apparent owner or an automatic reinvestment of
5 dividends or interest; and

6 (6) subject to subsection (e), payment of a premium on
7 an insurance policy.

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

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

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

23 (f) If the apparent owner has another property with the
24 holder to which Section 201(6) applies, then activity directed
25 by an apparent owner in any other accounts, including loan
26 accounts, at a financial organization holding an inactive

1 account of the apparent owner shall be an indication of
2 interest in all such accounts if:

3 (A) the apparent owner engages in one or more of
4 the following activities:

5 (i) the apparent owner undertakes one or more
6 of the actions described in subsection (b) of this
7 Section regarding any of the other accounts the
8 apparent owner has with the financial organization
9 ~~account that appears on a consolidated statement~~
10 ~~with the inactive account;~~

11 (ii) the apparent owner increases or decreases
12 the amount of funds in any other account the
13 apparent owner has with the financial
14 organization; or

15 (iii) the apparent owner engages in any other
16 relationship with the financial organization,
17 including payment of any amounts due on a loan; and

18 (B) the foregoing apply so long as the mailing
19 address for the apparent owner in the financial
20 organization's books and records is the same for both
21 the inactive account and the active account.

22 (Source: P.A. 100-22, eff. 1-1-18.)

23 (765 ILCS 1026/15-503)

24 Sec. 15-503. Notice by administrator.

25 (a) The administrator shall give notice to an apparent

1 owner that property presumed abandoned and appears to be owned
2 by the apparent owner is held by the administrator under this
3 Act.

4 (b) In providing notice under subsection (a), the
5 administrator shall:

6 (1) except as otherwise provided in paragraph (2), send
7 written notice by first-class United States mail to each
8 apparent owner of property valued at \$100 or more held by
9 the administrator, unless the administrator determines
10 that a mailing by first-class United States mail would not
11 be received by the apparent owner, and, in the case of a
12 security held in an account for which the apparent owner
13 had consented to receiving electronic mail from the holder,
14 send notice by electronic mail if the electronic-mail
15 address of the apparent owner is known to the administrator
16 instead of by first-class United States mail; or

17 (2) send the notice to the apparent owner's
18 electronic-mail address if the administrator does not have
19 a valid United States mail address for an apparent owner,
20 but has an electronic-mail address that the administrator
21 does not know to be invalid.

22 (c) In addition to the notice under subsection (b), the
23 administrator shall:

24 (1) publish every 6 months in at least one English
25 language newspaper of general circulation in each county in
26 this State notice of property held by the administrator

1 which must include:

2 (A) the total value of property received by the
3 administrator during the preceding 6-month period,
4 taken from the reports under Section 15-401;

5 (B) the total value of claims paid by the
6 administrator during the preceding 6-month period;

7 (C) the Internet web address of the unclaimed
8 property website maintained by the administrator;

9 (D) an ~~a telephone number and~~ electronic-mail
10 address to contact the administrator to inquire about
11 or claim property; and

12 (E) a statement that a person may access the
13 Internet by a computer to search for unclaimed property
14 and a computer may be available as a service to the
15 public at a local public library.

16 (2) The administrator shall maintain a website
17 accessible by the public and electronically searchable
18 which contains the names reported to the administrator of
19 apparent owners for whom property is being held by the
20 administrator. The administrator need not list property on
21 such website when: no owner name was reported, a claim has
22 been initiated or is pending for the property, the
23 administrator has made direct contact with the apparent
24 owner of the property, and in other instances where the
25 administrator reasonably believes exclusion of the
26 property is in the best interests of both the State and the

1 owner of the property.

2 (d) The website or database maintained under subsection
3 (c)(2) must include instructions for filing with the
4 administrator a claim to property and an online claim form with
5 instructions. The website may also provide a printable claim
6 form with instructions for its use.

7 (e) Tax return identification of apparent owners of
8 abandoned property.

9 (1) At least annually the administrator shall notify
10 the Department of Revenue of the names of persons appearing
11 to be owners of abandoned property under this Section. The
12 administrator shall also provide to the Department of
13 Revenue the social security numbers of the persons, if
14 available. The administrator does not need to notify the
15 Department of Revenue of the names or social security
16 numbers of apparent owners of abandoned property if he or
17 she reasonably believes that the Department of Revenue will
18 be unable to provide information that would provide
19 sufficient evidence to establish that the person in the
20 Department of Revenue's records is the apparent owner of
21 unclaimed property in the custody of the administrator.

22 (2) The Department of Revenue shall notify the
23 administrator if any person under subsection (e)(1) has
24 filed an Illinois income tax return and shall provide the
25 administrator with the last known address of the person as
26 it appears in Department of Revenue records, except as

1 prohibited by federal law. The Department of Revenue may
2 also provide additional addresses for the same taxpayer
3 from the records of the Department, except as prohibited by
4 federal law.

5 (3) In order to facilitate the return of property under
6 this subsection, the administrator and the Department of
7 Revenue may enter into an interagency agreement concerning
8 protection of confidential information, data match rules,
9 and other issues.

10 (4) The administrator may deliver, as provided under
11 Section 15-904 of this Act, property or pay the amount
12 owing to a person matched under this Section without the
13 person filing a claim under Section 15-903 of this Act if
14 the following conditions are met:

15 (A) the value of the property that is owed the
16 person is \$2,000 or less;

17 (B) the property is not either tangible property or
18 securities;

19 (C) the last known address for the person according
20 to the Department of Revenue records is less than 12
21 months old; and

22 (D) the administrator has evidence sufficient to
23 establish that the person who appears in Department of
24 Revenue records is the owner of the property and the
25 owner currently resides at the last known address from
26 the Department of Revenue.

1 (5) If the value of the property that is owed the
2 person is greater than \$2,000, or is tangible property or
3 securities the administrator shall provide notice to the
4 person, informing the person that he or she is the owner of
5 abandoned property held by the State and may file a claim
6 with the administrator for return of the property.

7 (f) The administrator may use additional databases to
8 verify the identity of the person and that the person currently
9 resides at the last known address. The administrator may
10 utilize publicly and commercially available databases to find
11 and update or add information for apparent owners of property
12 held by the administrator.

13 (g) In addition to giving notice under subsection (b),
14 publishing the information under subsection (c)(1) and
15 maintaining the website or database under subsection (c)(2),
16 the administrator may use other printed publication,
17 telecommunication, the Internet, or other media to inform the
18 public of the existence of unclaimed property held by the
19 administrator.

20 (Source: P.A. 100-22, eff. 1-1-18; 100-566, eff. 1-1-18.)

21 (765 ILCS 1026/15-603)

22 Sec. 15-603. Payment or delivery of property to
23 administrator.

24 (a) Except as otherwise provided in this Section, on filing
25 a report under Section 15-401, the holder shall pay or deliver

1 to the administrator the property described in the report.

2 (b) If property in a report under Section 15-401 is an
3 automatically renewable time deposit and the holder determines
4 that a penalty or forfeiture in the payment of interest would
5 result from paying the deposit to the administrator at the time
6 of the report, the date for reporting and delivering ~~payment of~~
7 the property to the administrator is extended until a penalty
8 or forfeiture no longer would result from delivery of the
9 property to the administrator. The holder shall report and
10 deliver the property on the next regular date prescribed for
11 reporting by the holder under this Act after this extended
12 date, and the holder shall indicate in its report to the
13 administrator that the property is being reported on an
14 extended date pursuant to this subsection (b) ~~payment, if the~~
15 ~~holder informs the administrator of the extended date.~~

16 (c) Tangible property in a safe-deposit box may not be
17 delivered to the administrator until a mutually agreed upon
18 date that is no sooner than 60 days after filing the report
19 under Section 15-401.

20 (d) If property reported to the administrator under Section
21 15-401 is a security, the administrator may:

22 (1) make an endorsement, instruction, or entitlement
23 order on behalf of the apparent owner to invoke the duty of
24 the issuer, its transfer agent, or the securities
25 intermediary to transfer the security; or

26 (2) dispose of the security under Section 15-702.

1 (e) If the holder of property reported to the administrator
2 under Section 15-401 is the issuer of a certificated security,
3 the administrator may obtain a replacement certificate in
4 physical or book-entry form under Section 8-405 of the Uniform
5 Commercial Code. An indemnity bond is not required.

6 (f) The administrator shall establish procedures for the
7 registration, issuance, method of delivery, transfer, and
8 maintenance of securities delivered to the administrator by a
9 holder.

10 (g) An issuer, holder, and transfer agent or other person
11 acting in good faith under this Section under instructions of
12 and on behalf of the issuer or holder is not liable to the
13 apparent owner for a claim arising with respect to property
14 after the property has been delivered to the administrator.

15 (h) A holder is not required to deliver to the
16 administrator a security identified by the holder as a
17 non-freely transferable security in a report filed under
18 Section 15-401. If the administrator or holder determines that
19 a security is no longer a non-freely transferable security, the
20 holder shall report and deliver the security on the next
21 regular date prescribed for delivery of securities by the
22 holder under this Act. The holder shall make a determination
23 annually whether a security identified in a report filed under
24 Section 15-401 as a non-freely transferable security is no
25 longer a non-freely transferable security.

26 (Source: P.A. 100-22, eff. 1-1-18.)

1 (765 ILCS 1026/15-1002.1)

2 Sec. 15-1002.1. Examination of State-regulated financial
3 organizations.

4 (a) Notwithstanding Section 15-1002 of this Act, for any
5 financial organization for which the Department of Financial
6 and Professional Regulation is the primary prudential
7 regulator, the administrator shall not examine such financial
8 institution unless the administrator has consulted with the
9 Secretary of Financial and Professional Regulation and the
10 Department of Financial and Professional Regulation has not
11 examined such financial organization for compliance with this
12 Act within the past 5 years. The Secretary of Financial and
13 Professional Regulation may waive in writing the provisions of
14 this subsection (a) in order to permit the administrator to
15 examine a financial organization or group of financial
16 organizations for compliance with this Act.

17 (b) Nothing in this Section shall be construed to prohibit
18 the administrator from examining a financial organization for
19 which the Department of Financial and Professional Regulation
20 is not the primary prudential regulator. Further, nothing in ~~is~~
21 this Act shall be construed to limit the authority of the
22 Department of Financial and Professional Regulation to examine
23 financial organizations.

24 (c) Notwithstanding Section 15-1002, the administrator
25 may, at reasonable times and upon reasonable notice:

1 (1) examine the records of a financial organization
2 that is a federally chartered bank, savings bank, or credit
3 union if the administrator has reason to believe that the
4 financial organization has failed to comply with this Act;

5 (2) issue an administrative subpoena requiring the
6 financial organization or an agent of the financial
7 organization to make records available for examination;
8 and

9 (3) bring an action seeking judicial enforcement of the
10 subpoena.

11 The administrator may adopt administrative rules that
12 specify conditions under which the administrator has a reason
13 to believe that a financial organization is not in compliance
14 with this Act.

15 (Source: P.A. 100-22, eff. 1-1-18; 100-566, eff. 1-1-18;
16 revised 10-4-18.)

17 (765 ILCS 1026/15-1004)

18 Sec. 15-1004. Records obtained in examination. Records
19 obtained and records, including work papers, compiled by the
20 administrator or administrator's agent in the course of
21 conducting an examination under Section 15-1002 or Section
22 15-1002.1:

23 (1) are subject to the confidentiality and security
24 provisions of Article 14 and are exempt from disclosure
25 under the Freedom of Information Act;

1 (2) may be used by the administrator in an action to
2 collect property or otherwise enforce this Act;

3 (3) may be used in a joint examination conducted with
4 another state, the United States, a foreign country or
5 subordinate unit of a foreign country, or any other
6 governmental entity if the governmental entity conducting
7 the examination is legally bound to maintain the
8 confidentiality and security of information obtained from
9 a person subject to examination in a manner substantially
10 equivalent to Article 14;

11 (4) may be disclosed, on request, to the person that
12 administers the unclaimed property law of another state for
13 that state's use in circumstances equivalent to
14 circumstances described in this Article, if the other state
15 is required to maintain the confidentiality and security of
16 information obtained in a manner substantially equivalent
17 to Article 14;

18 (5) must be produced by the administrator under an
19 administrative or judicial subpoena or administrative or
20 court order; and

21 (6) must be produced by the administrator on request of
22 the person subject to the examination in an administrative
23 or judicial proceeding relating to the property.

24 (Source: P.A. 100-22, eff. 1-1-18.)

25 (765 ILCS 1026/15-1401)

1 Sec. 15-1401. Confidential information.

2 (a) Except as otherwise provided in this Section,
3 information that is confidential under law of this State other
4 than this Act, another state, or the United States, including
5 "private information" as defined in the Freedom of Information
6 Act and "personal information" as defined in the Personal
7 Information Protection Act, continues to be confidential when
8 disclosed or delivered under this Act to the administrator or
9 administrator's agent.

10 (b) Information provided in reports filed pursuant to
11 Section 15-401, information obtained in the course of an
12 examination pursuant to Section 15-1002 or Section 15-1002.1,
13 and the database required by Section 15-503 is exempt from
14 disclosure under the Freedom of Information Act.

15 (c) If reasonably necessary to enforce or implement this
16 Act, the administrator or the administrator's agent may
17 disclose confidential information concerning property held by
18 the administrator or the administrator's agent to:

19 (1) an apparent owner or the apparent owner's
20 representative under the Probate Act of 1975, attorney,
21 other legal representative, or relative;

22 (2) the representative under the Probate Act of 1975,
23 other legal representative, relative of a deceased
24 apparent owner, or a person entitled to inherit from the
25 deceased apparent owner;

26 (3) another department or agency of this State or the

1 United States;

2 (4) the person that administers the unclaimed property
3 law of another state, if the other state accords
4 substantially reciprocal privileges to the administrator
5 of this State if the other state is required to maintain
6 the confidentiality and security of information obtained
7 in a manner substantially equivalent to Article 14;

8 (5) a person subject to an examination as required by
9 Section 15-1004; and

10 (6) an agent of the administrator.

11 (d) The administrator may include on the website or in the
12 database the names and addresses of apparent owners of property
13 held by the administrator as provided in Section 15-503. The
14 administrator may include in published notices, printed
15 publications, telecommunications, the Internet, or other media
16 and on the website or in the database additional information
17 concerning the apparent owner's property if the administrator
18 believes the information will assist in identifying and
19 returning property to the owner and does not disclose personal
20 information as defined in the Personal Information Protection
21 Act.

22 (e) The administrator and the administrator's agent may not
23 use confidential information provided to them or in their
24 possession except as expressly authorized by this Act or
25 required by law other than this Act.

26 (Source: P.A. 100-22, eff. 1-1-18; 100-566, eff. 1-1-18.)

1 (765 ILCS 1026/15-1402)

2 Sec. 15-1402. Confidentiality agreement. A person to be
3 examined under Section 15-1002 or Section 15-1002.1 may
4 require, as a condition of disclosure of the records of the
5 person to be examined, that the administrator or the
6 administrator's agent execute and deliver to the person to be
7 examined a confidentiality agreement that:

8 (1) is in a form that is reasonably satisfactory to the
9 administrator; and

10 (2) requires the person having access to the records to
11 comply with the provisions of this Article applicable to
12 the person.

13 (Source: P.A. 100-22, eff. 1-1-18.)

14 Section 99. Effective date. This Act takes effect upon
15 becoming law.