

HB5823



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB5823

by Rep. Josh Harms

SYNOPSIS AS INTRODUCED:

765 ILCS 1025/2
765 ILCS 1025/2a

from Ch. 141, par. 102
from Ch. 141, par. 102a

Amends the Uniform Disposition of Unclaimed Property Act. Provides that certain property is presumed abandoned after 8 (instead of 5) years. Provides that property is not presumed abandoned if the owner of the property was the recipient of a federal taxable interest statement that was not returned to the sender, a dividend check that was cashed, or any automatic transactions, including dividend investments.

LRB098 20283 HEP 55702 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 Uniform Disposition of Unclaimed Property
5 Act is amended by changing Sections 2 and 2a as follows:

6 (765 ILCS 1025/2) (from Ch. 141, par. 102)

7 Sec. 2. Property held by financial organizations;
8 presumption of abandonment. The following property held or
9 owing by a banking or financial organization is presumed
10 abandoned:

11 (a) Any demand, savings, or matured time deposit with a
12 banking organization, together with any interest or dividend
13 thereon, excluding any charges that may lawfully be withheld,
14 unless the owner has, within 8 ~~5~~ years:

15 (1) Increased or decreased the amount of the deposit,
16 or presented the passbook or other similar evidence of the
17 deposit for the crediting of interest; or

18 (2) Corresponded in writing with the banking
19 organization concerning the deposit;

20 (3) Otherwise indicated an interest in the deposit as
21 evidenced by a memorandum on file with the banking
22 organization; or

23 (4) Engaged in the following activity regarding other

1 funds or loan accounts with the banking organization:

2 (i) undertook one or more the above actions
3 described in subsection (a) of this Section regarding
4 any account that appears on a consolidated statement
5 with the inactive account;

6 (ii) increased or decreased the amount of funds in
7 any other account the owner has with the banking
8 organization; ~~or~~

9 (iii) engaged in any other relationship with the
10 banking organization, including payment of any amounts
11 due on a loan; or ~~or~~

12 (iv) was the recipient of a federal taxable
13 interest statement that was not returned to the sender.

14 The foregoing apply so long as the mailing address for the
15 owner in the banking organization's books and records is the
16 same for both the inactive account and for the active account.

17 (b) Any funds paid toward the purchase of withdrawable
18 shares or other interest in a financial organization, or any
19 deposit made, and any interest or dividends thereon, excluding
20 any charges that may be lawfully withheld, unless the owner has
21 within 8 ~~5~~ years:

22 (1) Increased or decreased the amount of the funds, or
23 deposit, or presented an appropriate record for the
24 crediting of interest or dividends; or

25 (2) Corresponded in writing with the financial
26 organization concerning the funds or deposit;

1 (3) Otherwise indicated an interest in the funds or
2 deposit as evidenced by a memorandum on file with the
3 financial organization; or

4 (4) Engaged in the following activity regarding other
5 funds or loan accounts with the financial organization:

6 (i) undertook one or more the above actions
7 described in subsection (b) of this Section regarding
8 any account that appears on a consolidated statement
9 with the inactive account;

10 (ii) increased or decreased the amount of funds in
11 any other account the owner has with the financial
12 organization; ~~or~~

13 (iii) engaged in any other relationship with the
14 financial organization, including payment of any
15 amounts due on a loan; or -

16 (iv) was the recipient of a dividend check that was
17 cashed or the recipient of any automatic transactions,
18 including dividend investments.

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

22 (c) Any sum payable on checks or on written instruments on
23 which a banking or financial organization or business
24 association is directly liable including, by way of
25 illustration but not of limitation, certificates of deposit,
26 drafts, money orders and travelers checks, that with the

1 exception of travelers checks and unclaimed wages, payroll, and
2 salary has been outstanding for more than 8 5 years from the
3 date it was payable, or from the date of its issuance if
4 payable on demand, or, in the case of travelers checks, that
5 has been outstanding for more than 15 years from the date of
6 its issuance, or, in the case of unclaimed wages, payroll, or
7 salary, that has been outstanding for more than one year from
8 the date of its issuance, excluding any charges that may be
9 lawfully withheld relating to money orders issued by currency
10 exchanges, unless the owner has within 8 5 years (or within 15
11 years in the case of travelers checks or one year in the case
12 of unclaimed wages, payroll, or salary) corresponded in writing
13 with the banking or financial organization or business
14 association concerning it, or otherwise indicated an interest
15 as evidenced by a memorandum on file with the banking or
16 financial organization or business association.

17 (d) Any funds or other personal property, tangible or
18 intangible, removed from a safe deposit box or any other
19 safekeeping repository or agency or collateral deposit box on
20 which the lease or rental period has expired due to nonpayment
21 of rental charges or other reason, or any surplus amounts
22 arising from the sale thereof pursuant to law, that have been
23 unclaimed by the owner for more than 8 5 years from the date on
24 which the lease or rental period expired, subject to lien of
25 the holder for reimbursement of costs incurred in the opening
26 of a safe deposit box as determined by the holder's regular

1 schedule of charges.

2 (e) Notwithstanding any other provision of this Section, no
3 deposit except passbook, checking, NOW accounts, super NOW
4 accounts, money market accounts, or such similar accounts as
5 established by Rule of the State Treasurer, held by a banking
6 or financial organization shall be presumed abandoned if with
7 respect to such a deposit which specifies a definite maturity
8 date, such organization was authorized in writing to extend or
9 rollover the account for an additional like period and such
10 organization does so extend. Such deposits are not presumed
11 abandoned less than 8 5 years from that final maturity date.
12 Property of any kind held in an individual retirement account
13 (IRA) is not presumed abandoned earlier than 8 5 years after
14 the owner attains the age at which distributions from the
15 account become mandatory under law.

16 (f) Notwithstanding any other provision of this Section,
17 money of a minor deposited pursuant to Section 24-21 of the
18 Probate Act of 1975 shall not be presumed abandoned earlier
19 than 8 5 years after the minor attains legal age. Such money
20 shall be deposited in an account which shall indicate the birth
21 date of the minor.

22 (Source: P.A. 97-270, eff. 8-8-11.)

23 (765 ILCS 1025/2a) (from Ch. 141, par. 102a)

24 Sec. 2a. (a) Business associations shall report, pursuant
25 to Section 11 of this Act, all property and any earnings

1 thereon to which the owner would be entitled that have remained
2 unclaimed for 8 ~~5~~ years and are therefore presumed abandoned.
3 Before reporting and delivering property as required under this
4 Act, a business association may deduct from the amount of
5 otherwise reportable intangible personal property the economic
6 loss suffered by it in connection with that intangible personal
7 property arising from transactions involving the sale of
8 tangible personal property at retail. This property shall
9 consist of, but is not limited to:

10 (1) (blank);

11 (2) deposits or payment for repair or purchase of goods
12 or services;

13 (3) credit checks or memos, or customer overpayments;

14 (4) stocks, bonds, or any other type of securities or
15 debt instruments, and interest and dividends therefrom;

16 (5) unidentified remittances, unrefunded overcharges;

17 (6) unpaid claims, unpaid accounts payable or unpaid
18 commissions; and

19 (7) credit balances - accounts receivable, checks
20 written off, employee bond buying and profit-sharing.

21 (b) Notwithstanding the provisions of subsection (a), any
22 property due or owed by a business association to or for the
23 benefit of another business association resulting from a
24 transaction occurring in the normal and ordinary course of
25 business shall be exempt from the provisions of this Act.

26 (c) Notwithstanding the provisions of subsection (a),

1 unclaimed wages, payroll, and salary, in any form, shall be
2 reported after remaining unclaimed for one year, pursuant to
3 Section 2.

4 (Source: P.A. 97-270, eff. 8-8-11.)