



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB0851

Introduced 2/10/2021, 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 State Treasurer, as administrator, to provide a telephone number that persons may call 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.

LRB102 05120 LNS 15141 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
10 if 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, 7 years after issuance;

14 (3) any instrument on which a financial organization
15 or 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
22 the 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, 3
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
13 a record on file with the holder, 3 years after the
14 date of last indication of interest in the property by
15 the 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,
14 or 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, unless the apparent owner has indicated an
3 interest in the property more than 40 years after the
4 contract for prepayment was executed, in which case, 3
5 years after the last indication of interest in the
6 property by the apparent owner;

7 (10) property distributable by a business association
8 in the course of dissolution or distributions from the
9 termination of a retirement plan, one year after the
10 property becomes distributable;

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

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

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

23 (14) a deposit or refund owed to a subscriber by a
24 utility, one year after the deposit or refund becomes
25 payable, except that any capital credits or patronage
26 capital retired, returned, refunded or tendered to a

1 member of an electric cooperative, as defined in Section
2 3.4 of the Electric Supplier Act, or a telephone or
3 telecommunications cooperative, as defined in Section
4 13-212 of the Public Utilities Act, that has remained
5 unclaimed by the person appearing on the records of the
6 entitled cooperative for more than 2 years, shall not be
7 subject to, or governed by, any other provisions of this
8 Act, but rather shall be used by the cooperative for the
9 benefit of the general membership of the cooperative; and

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

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

24 (Source: P.A. 100-22, eff. 1-1-18; 100-566, eff. 1-1-18;
25 101-552, eff. 1-1-20.)

1 (765 ILCS 1026/15-210)

2 Sec. 15-210. Indication of apparent owner interest in
3 property.

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

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

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

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

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

15 (2) an oral communication by the apparent owner to the
16 holder or agent of the holder concerning the property or
17 the account in which the property is held, if the holder or
18 its agent contemporaneously makes and preserves a record
19 of the fact of the apparent owner's communication;

20 (3) presentment of a check or other instrument of
21 payment of a dividend, interest payment, or other
22 distribution, or evidence of receipt of a distribution
23 made by electronic or similar means, with respect to an
24 account, underlying security, or interest in a business
25 association;

26 (4) activity directed by an apparent owner in the

1 account in which the property is held, including accessing
2 the account or information concerning the account, or a
3 direction by the apparent owner to increase, decrease, or
4 otherwise change the amount or type of property held in
5 the account;

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

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

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

17 (d) A communication with an apparent owner by a person
18 other than the holder or the holder's representative is not an
19 indication of interest in the property by the apparent owner
20 unless a record of the communication evidences the apparent
21 owner's knowledge of a right to the property.

22 (e) If the insured dies or the insured or beneficiary of an
23 insurance policy otherwise becomes entitled to the proceeds
24 before depletion of the cash surrender value of the policy by
25 operation of an automatic-premium-loan provision or other
26 nonforfeiture provision contained in the policy, the operation

1 does not prevent the policy from maturing or terminating.

2 (f) If the apparent owner has another property with the
3 holder to which Section 201(6) applies, then activity directed
4 by an apparent owner in any other accounts, including loan
5 accounts, at a financial organization holding an inactive
6 account of the apparent owner shall be an indication of
7 interest in all such accounts if:

8 (A) the apparent owner engages in one or more of
9 the following activities:

10 (i) the apparent owner undertakes one or more
11 of the actions described in subsection (b) of this
12 Section regarding any of the other accounts the
13 apparent owner has with the financial organization
14 ~~account that appears on a consolidated statement~~
15 ~~with the inactive account;~~

16 (ii) the apparent owner increases or decreases
17 the amount of funds in any other account the
18 apparent owner has with the financial
19 organization; or

20 (iii) the apparent owner engages in any other
21 relationship with the financial organization,
22 including payment of any amounts due on a loan;
23 and

24 (B) the foregoing apply so long as the mailing
25 address for the apparent owner in the financial
26 organization's books and records is the same for both

1 the inactive account and the active account.

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

3 (765 ILCS 1026/15-503)

4 Sec. 15-503. Notice by administrator.

5 (a) The administrator shall give notice to an apparent
6 owner that property presumed abandoned and appears to be owned
7 by the apparent owner is held by the administrator under this
8 Act.

9 (b) In providing notice under subsection (a), the
10 administrator shall:

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

23 (2) send the notice to the apparent owner's
24 electronic-mail address if the administrator does not have
25 a valid United States mail address for an apparent owner,

1 but has an electronic-mail address that the administrator
2 does not know to be invalid.

3 (c) In addition to the notice under subsection (b), the
4 administrator shall:

5 (1) publish every 6 months in at least one English
6 language newspaper of general circulation in each county
7 in this State notice of property held by the administrator
8 which must include:

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

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

14 (C) the Internet web address of the unclaimed
15 property website maintained by the administrator;

16 (D) an ~~a telephone number and~~ electronic-mail
17 address to contact the administrator to inquire about
18 or claim property; and

19 (E) a statement that a person may access the
20 Internet by a computer to search for unclaimed
21 property and a computer may be available as a service
22 to the public at a local public library.

23 (2) The administrator shall maintain a website
24 accessible by the public and electronically searchable
25 which contains the names reported to the administrator of
26 apparent owners for whom property is being held by the

1 administrator. The administrator need not list property on
2 such website when: no owner name was reported, a claim has
3 been initiated or is pending for the property, the
4 administrator has made direct contact with the apparent
5 owner of the property, and in other instances where the
6 administrator reasonably believes exclusion of the
7 property is in the best interests of both the State and the
8 owner of the property.

9 (d) The website or database maintained under subsection
10 (c)(2) must include instructions for filing with the
11 administrator a claim to property and an online claim form
12 with instructions. The website may also provide a printable
13 claim form with instructions for its use.

14 (e) Tax return identification of apparent owners of
15 abandoned property.

16 (1) At least annually the administrator shall notify
17 the Department of Revenue of the names of persons
18 appearing to be owners of abandoned property under this
19 Section. The administrator shall also provide to the
20 Department of Revenue the social security numbers of the
21 persons, if available. The administrator does not need to
22 notify the Department of Revenue of the names or social
23 security numbers of apparent owners of abandoned property
24 if he or she reasonably believes that the Department of
25 Revenue will be unable to provide information that would
26 provide sufficient evidence to establish that the person

1 in the Department of Revenue's records is the apparent
2 owner of unclaimed property in the custody of the
3 administrator.

4 (2) The Department of Revenue shall notify the
5 administrator if any person under subsection (e)(1) has
6 filed an Illinois income tax return and shall provide the
7 administrator with the last known address of the person as
8 it appears in Department of Revenue records, except as
9 prohibited by federal law. The Department of Revenue may
10 also provide additional addresses for the same taxpayer
11 from the records of the Department, except as prohibited
12 by federal law.

13 (3) In order to facilitate the return of property
14 under this subsection, the administrator and the
15 Department of Revenue may enter into an interagency
16 agreement concerning protection of confidential
17 information, data match rules, and other issues.

18 (4) The administrator may deliver, as provided under
19 Section 15-904 of this Act, property or pay the amount
20 owing to a person matched under this Section without the
21 person filing a claim under Section 15-903 of this Act if
22 the following conditions are met:

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

25 (B) the property is not either tangible property
26 or securities;

1 (C) the last known address for the person
2 according to the Department of Revenue records is less
3 than 12 months old; and

4 (D) the administrator has evidence sufficient to
5 establish that the person who appears in Department of
6 Revenue records is the owner of the property and the
7 owner currently resides at the last known address from
8 the Department of Revenue.

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

15 (f) The administrator may use additional databases to
16 verify the identity of the person and that the person
17 currently resides at the last known address. The administrator
18 may utilize publicly and commercially available databases to
19 find and update or add information for apparent owners of
20 property held by the administrator.

21 (g) In addition to giving notice under subsection (b),
22 publishing the information under subsection (c)(1) and
23 maintaining the website or database under subsection (c)(2),
24 the administrator may use other printed publication,
25 telecommunication, the Internet, or other media to inform the
26 public of the existence of unclaimed property held by the

1 administrator.

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

3 (765 ILCS 1026/15-603)

4 Sec. 15-603. Payment or delivery of property to
5 administrator.

6 (a) Except as otherwise provided in this Section, on
7 filing a report under Section 15-401, the holder shall pay or
8 deliver to the administrator the property described in the
9 report.

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

24 (c) Tangible property in a safe-deposit box may not be
25 delivered to the administrator until a mutually agreed upon

1 date that is no sooner than 60 days after filing the report
2 under Section 15-401.

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

5 (1) make an endorsement, instruction, or entitlement
6 order on behalf of the apparent owner to invoke the duty of
7 the issuer, its transfer agent, or the securities
8 intermediary to transfer the security; or

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

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

16 (f) The administrator shall establish procedures for the
17 registration, issuance, method of delivery, transfer, and
18 maintenance of securities delivered to the administrator by a
19 holder.

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

25 (h) A holder is not required to deliver to the
26 administrator a security identified by the holder as a

1 non-freely transferable security in a report filed under
2 Section 15-401. If the administrator or holder determines that
3 a security is no longer a non-freely transferable security,
4 the holder shall report and deliver the security on the next
5 regular date prescribed for delivery of securities by the
6 holder under this Act. The holder shall make a determination
7 annually whether a security identified in a report filed under
8 Section 15-401 as a non-freely transferable security is no
9 longer a non-freely transferable security.

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

11 (765 ILCS 1026/15-1002.1)

12 Sec. 15-1002.1. Examination of State-regulated financial
13 organizations.

14 (a) Notwithstanding Section 15-1002 of this Act, for any
15 financial organization for which the Department of Financial
16 and Professional Regulation is the primary prudential
17 regulator, the administrator shall not examine such financial
18 institution unless the administrator has consulted with the
19 Secretary of Financial and Professional Regulation and the
20 Department of Financial and Professional Regulation has not
21 examined such financial organization for compliance with this
22 Act within the past 5 years. The Secretary of Financial and
23 Professional Regulation may waive in writing the provisions of
24 this subsection (a) in order to permit the administrator to
25 examine a financial organization or group of financial

1 organizations for compliance with this Act.

2 (b) Nothing in this Section shall be construed to prohibit
3 the administrator from examining a financial organization for
4 which the Department of Financial and Professional Regulation
5 is not the primary prudential regulator. Further, nothing in
6 this Act shall be construed to limit the authority of the
7 Department of Financial and Professional Regulation to examine
8 financial organizations.

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

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

16 (2) issue an administrative subpoena requiring the
17 financial organization or an agent of the financial
18 organization to make records available for examination;
19 and

20 (3) bring an action seeking judicial enforcement of
21 the subpoena.

22 The administrator may adopt administrative rules that
23 specify conditions under which the administrator has a reason
24 to believe that a financial organization is not in compliance
25 with this Act.

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

1 101-81, eff. 7-12-19.)

2 (765 ILCS 1026/15-1004)

3 Sec. 15-1004. Records obtained in examination. Records
4 obtained and records, including work papers, compiled by the
5 administrator or administrator's agent in the course of
6 conducting an examination under Section 15-1002 or Section
7 15-1002.1:

8 (1) are subject to the confidentiality and security
9 provisions of Article 14 and are exempt from disclosure
10 under the Freedom of Information Act;

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

13 (3) may be used in a joint examination conducted with
14 another state, the United States, a foreign country or
15 subordinate unit of a foreign country, or any other
16 governmental entity if the governmental entity conducting
17 the examination is legally bound to maintain the
18 confidentiality and security of information obtained from
19 a person subject to examination in a manner substantially
20 equivalent to Article 14;

21 (4) may be disclosed, on request, to the person that
22 administers the unclaimed property law of another state
23 for that state's use in circumstances equivalent to
24 circumstances described in this Article, if the other
25 state is required to maintain the confidentiality and

1 security of information obtained in a manner substantially
2 equivalent to Article 14;

3 (5) must be produced by the administrator under an
4 administrative or judicial subpoena or administrative or
5 court order; and

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

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

11 (765 ILCS 1026/15-1401)

12 Sec. 15-1401. Confidential information.

13 (a) Except as otherwise provided in this Section,
14 information that is confidential under law of this State other
15 than this Act, another state, or the United States, including
16 "private information" as defined in the Freedom of Information
17 Act and "personal information" as defined in the Personal
18 Information Protection Act, continues to be confidential when
19 disclosed or delivered under this Act to the administrator or
20 administrator's agent.

21 (b) Information provided in reports filed pursuant to
22 Section 15-401, information obtained in the course of an
23 examination pursuant to Section 15-1002 or Section 15-1002.1,
24 and the database required by Section 15-503 is exempt from
25 disclosure under the Freedom of Information Act.

1 (c) If reasonably necessary to enforce or implement this
2 Act, the administrator or the administrator's agent may
3 disclose confidential information concerning property held by
4 the administrator or the administrator's agent to:

5 (1) an apparent owner or the apparent owner's
6 representative under the Probate Act of 1975, attorney,
7 other legal representative, or relative;

8 (2) the representative under the Probate Act of 1975,
9 other legal representative, relative of a deceased
10 apparent owner, or a person entitled to inherit from the
11 deceased apparent owner;

12 (3) another department or agency of this State or the
13 United States;

14 (4) the person that administers the unclaimed property
15 law of another state, if the other state accords
16 substantially reciprocal privileges to the administrator
17 of this State if the other state is required to maintain
18 the confidentiality and security of information obtained
19 in a manner substantially equivalent to Article 14;

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

22 (6) an agent of the administrator.

23 (d) The administrator may include on the website or in the
24 database the names and addresses of apparent owners of
25 property held by the administrator as provided in Section
26 15-503. The administrator may include in published notices,

1 printed publications, telecommunications, the Internet, or
2 other media and on the website or in the database additional
3 information concerning the apparent owner's property if the
4 administrator believes the information will assist in
5 identifying and returning property to the owner and does not
6 disclose personal information as defined in the Personal
7 Information Protection Act.

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

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

13 (765 ILCS 1026/15-1402)

14 Sec. 15-1402. Confidentiality agreement. A person to be
15 examined under Section 15-1002 or Section 15-1002.1 may
16 require, as a condition of disclosure of the records of the
17 person to be examined, that the administrator or the
18 administrator's agent execute and deliver to the person to be
19 examined a confidentiality agreement that:

20 (1) is in a form that is reasonably satisfactory to
21 the administrator; and

22 (2) requires the person having access to the records
23 to comply with the provisions of this Article applicable
24 to the person.

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

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.