

SB1933



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB1933

Introduced 2/10/2011, by Sen. Jacqueline Y. Collins

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 unclaimed wages, payroll, and salary in any form, held or owing by a banking or financial organization, is presumed abandoned after one year (instead of 5 years). Provides that unclaimed wages, payroll, and salary in any form shall be reported after remaining unclaimed for one year. Effective immediately.

LRB097 08608 AJO 50210 b

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 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.

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

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

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

23 (2) Corresponded in writing with the financial
24 organization concerning the funds or deposit;

25 (3) Otherwise indicated an interest in the funds or
26 deposit as evidenced by a memorandum on file with the

1 financial organization; or

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

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

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

11 (iii) engaged in any other relationship with the
12 financial organization, including payment of any
13 amounts due on a loan.

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

17 (c) Any sum payable on checks or on written instruments on
18 which a banking or financial organization or business
19 association is directly liable including, by way of
20 illustration but not of limitation, certificates of deposit,
21 drafts, money orders and travelers checks, that with the
22 exception of travelers checks and unclaimed wages, payroll, and
23 salary, has been outstanding for more than 5 years from the
24 date it was payable, or from the date of its issuance if
25 payable on demand, or, in the case of travelers checks, that
26 has been outstanding for more than 15 years from the date of

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

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

23 (e) Notwithstanding any other provision of this Section, no
24 deposit except passbook, checking, NOW accounts, super NOW
25 accounts, money market accounts, or such similar accounts as
26 established by Rule of the State Treasurer, held by a banking

1 or financial organization shall be presumed abandoned if with
2 respect to such a deposit which specifies a definite maturity
3 date, such organization was authorized in writing to extend or
4 rollover the account for an additional like period and such
5 organization does so extend. Such deposits are not presumed
6 abandoned less than 5 years from that final maturity date.
7 Property of any kind held in an individual retirement account
8 (IRA) is not presumed abandoned earlier than 5 years after the
9 owner attains the age at which distributions from the account
10 become mandatory under law.

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

17 (Source: P.A. 94-255, eff. 1-1-06.)

18 (765 ILCS 1025/2a) (from Ch. 141, par. 102a)

19 Sec. 2a. (a) Business associations shall report, pursuant
20 to Section 11 of this Act, all property and any earnings
21 thereon to which the owner would be entitled that have remained
22 unclaimed for 5 years and are therefore presumed abandoned.
23 Before reporting and delivering property as required under this
24 Act, a business association may deduct from the amount of
25 otherwise reportable intangible personal property the economic

1 loss suffered by it in connection with that intangible personal
2 property arising from transactions involving the sale of
3 tangible personal property at retail. This property shall
4 consist of, but is not limited to:

5 (1) (blank); ~~unclaimed wages;~~

6 (2) deposits or payment for repair or purchase of goods
7 or services;

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

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

11 (5) unidentified remittances, unrefunded overcharges;

12 (6) unpaid claims, unpaid accounts payable or unpaid
13 commissions; and

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

16 (b) Notwithstanding the provisions of subsection (a), any
17 property due or owed by a business association to or for the
18 benefit of another business association resulting from a
19 transaction occurring in the normal and ordinary course of
20 business shall be exempt from the provisions of this Act.

21 (c) Notwithstanding the provisions of subsection (a),
22 unclaimed wages, payroll, and salary, in any form, shall be
23 reported after remaining unclaimed for one year, pursuant to
24 Section 2.

25 (Source: P.A. 90-167, eff. 7-23-97; 91-688, eff. 3-23-00.)

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.