

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1366 Session of
2002

INTRODUCED BY CONTI, THOMPSON, EARLL, HOLL, COSTA, TOMLINSON,
ORIE, WAUGH, MOWERY, SCHWARTZ, BELL AND D. WHITE,
MARCH 22, 2002

REFERRED TO FINANCE, MARCH 22, 2002

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled,
2 as amended, "An act relating to the finances of the State
3 government; providing for the settlement, assessment,
4 collection, and lien of taxes, bonus, and all other accounts
5 due the Commonwealth, the collection and recovery of fees and
6 other money or property due or belonging to the Commonwealth,
7 or any agency thereof, including escheated property and the
8 proceeds of its sale, the custody and disbursement or other
9 disposition of funds and securities belonging to or in the
10 possession of the Commonwealth, and the settlement of claims
11 against the Commonwealth, the resettlement of accounts and
12 appeals to the courts, refunds of moneys erroneously paid to
13 the Commonwealth, auditing the accounts of the Commonwealth
14 and all agencies thereof, of all public officers collecting
15 moneys payable to the Commonwealth, or any agency thereof,
16 and all receipts of appropriations from the Commonwealth,
17 authorizing the Commonwealth to issue tax anticipation notes
18 to defray current expenses, implementing the provisions of
19 section 7(a) of Article VIII of the Constitution of
20 Pennsylvania authorizing and restricting the incurring of
21 certain debt and imposing penalties; affecting every
22 department, board, commission, and officer of the State
23 government, every political subdivision of the State, and
24 certain officers of such subdivisions, every person,
25 association, and corporation required to pay, assess, or
26 collect taxes, or to make returns or reports under the laws
27 imposing taxes for State purposes, or to pay license fees or
28 other moneys to the Commonwealth, or any agency thereof,
29 every State depository and every debtor or creditor of the
30 Commonwealth," further regulating abandoned property.

31 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 Section 1. The definitions of "holder" and "secretary" in
3 section 1301.1 of the act of April 9, 1929 (P.L.343, No.176),
4 known as The Fiscal Code, added December 9, 1982 (P.L.1057,
5 No.248), are amended to read:

6 Section 1301.1. Definitions.--As used in this article,
7 unless the context otherwise requires:

8 * * *

9 "Holder" shall include any person in possession of property
10 subject to this article belonging to another, or who is a
11 trustee in case of a trust, or is indebted to another on an
12 obligation subject to this article or any financial institution
13 which has paid amounts and sums to the [secretary] State
14 Treasurer under subsection (c) of section 1301.13 of this
15 article.

16 * * *

17 ["Secretary" shall mean the Secretary of Revenue of the
18 Commonwealth of Pennsylvania.]

19 * * *

20 Section 2. Sections 1301.3, 1301.4, 1301.5, 1301.6 and
21 1301.8 of the act, added December 9, 1982 (P.L.1057, No.248),
22 are amended to read:

23 Section 1301.3. Property Held by Financial Institutions.--
24 The following property held or owing by a financial institution
25 is presumed abandoned and unclaimed:

26 1. Any demand, saving or matured time deposit in a financial
27 institution, or any funds paid toward the purchase of shares or
28 other interest in a savings association, savings and loan or
29 building and loan association, excluding any charges that may
30 lawfully be withheld, unless within the preceding [seven (7)]

1 five (5) years the owner has:

2 (i) Increased the amount of the deposit, shares or claim,
3 otherwise than by the crediting of accrued interest, or
4 decreased it, or presented to the holder evidence of the
5 deposit, shares or claim; or

6 (ii) Corresponded in writing with the holder concerning the
7 deposit, shares or claim; or

8 (iii) Otherwise indicated an interest in the deposit, shares
9 or claim as evidenced by a writing on file with the holder; or

10 (iv) Received tax reports or regular statements of the
11 deposits, shares or claim by certified mail or other method of
12 communication that will provide the financial institution with a
13 record that such report or statement was transmitted and
14 received; or

15 (v) Owned other property held by the financial institution
16 to which subclause (i), (ii), (iii) or (iv) applies.

17 2. A deposit under clause 1 shall include any interest or
18 dividend which the financial institution would pay to the owner
19 upon claim therefor. The charges which may be excluded hereunder
20 shall not include any charge due to inactivity imposed, directly
21 or indirectly, after December 31, 1981 unless there is a valid
22 and enforceable written contract between the financial
23 institution and the owner of the deposit pursuant to which the
24 financial institution may impose said charge.

25 3. Any sum payable on checks or on written instruments
26 including, but not limited to, drafts, money orders and
27 travelers checks, on which a financial institution is directly
28 liable, and (i) which have been outstanding for more than [seven
29 (7)] five (5) years, or in the case of travelers checks, fifteen
30 (15) years, from the date payable, or from the date of issuance

1 if payable on demand; and (ii) the owner of which has not
2 written to the financial institution concerning it, nor
3 otherwise indicated an interest as evidenced by a writing on
4 file with the financial institution.

5 4. Any funds or other personal property, tangible or
6 intangible, removed from a safe deposit box or any other
7 safekeeping repository in the Commonwealth on which the lease or
8 rental period has expired due to nonpayment of rental charges or
9 other reason, or any surplus amounts arising from the sale
10 thereof pursuant to law, if the same has not been claimed by the
11 owner for more than [seven (7)] five (5) years from the date on
12 which the rental period expired.

13 Section 1301.4. Property Held by Insurers.--(a) In the case
14 of life insurance, the following property held or owing by an
15 insurer is presumed abandoned and unclaimed:

16 1. Any moneys held or owing by an insurer as established by
17 its records under any contract of annuity or policy of life
18 insurance including premiums returnable or dividends payable,
19 unclaimed and unpaid for more than [seven (7)] five (5) years
20 after the moneys have or shall become due and payable under the
21 provisions of such contract of annuity or policy of insurance. A
22 life insurance policy not matured by actual proof of the death
23 of the insured is deemed to be matured and the proceeds thereof
24 are deemed to be due and payable if such policy was in force
25 when the insured attained the limiting age under the mortality
26 table on which the reserve is based, unless the person appearing
27 entitled thereto has within the preceding [seven (7)] five (5)
28 years, (i) assigned, readjusted or paid premiums on the policy,
29 or subjected the policy to loan, or (ii) corresponded in writing
30 with the insurer concerning the policy.

2. If a person other than the insured or annuitant is entitled to the funds and no address of such person is known to the insurer or if it is not definite and certain from the records of the insurer what person is entitled to the funds, it is presumed that the last known address of the person entitled to the funds is the same as the last known address of the insured or annuitant according to the records of the insurer.

3. Moneys otherwise payable according to the records of the insurer are deemed due and payable although the policy or contract has not been surrendered as required.

(b) In the case of insurance other than life insurance, the following property held or owing by an insurer is presumed abandoned and unclaimed:

1. Any moneys held or owing by an insurer as established by its records under any contract of insurance other than annuity or life insurance, including premiums or deposits returnable or dividends payable to policy or contract holders or other persons entitled thereto, unclaimed and unpaid for more than [seven (7)] five (5) years after the moneys have or shall become due and payable under the provisions of such contracts of insurance.

2. If a person other than the insured, the principal or the claimant is entitled to the funds and no address of such person is known to the insurer or if it is not definite and certain from the records of the insurer what person is entitled to the funds, it is presumed that the last known address of the person entitled to the funds is the same as the last known address of the insured, the principal or the claimant according to the records of the insurer.

Section 1301.5. Property Held by Utilities.--The following funds held or owing by any utility are presumed abandoned and

1 unclaimed:

2 1. Any customer advance, toll, deposit or collateral
3 security or any other property held by any utility if under the
4 terms of an agreement the advance, toll, deposit, collateral
5 security or other property is due to or demandable by the owner
6 and has remained unclaimed for [seven (7)] five (5) years or
7 more from the date when it first became due to or demandable by
8 the owner under the agreement.

9 2. Any sum which a utility has been ordered to refund, less
10 any lawful deductions, and which has remained unclaimed by the
11 person appearing on the records of the utility entitled thereto
12 for two (2) years or more after the date it became payable in
13 accordance with the final order providing for the refund.

14 Section 1301.6. Property Held by Business Associations.--The
15 following property held or owing by a business association is
16 presumed abandoned and unclaimed:

17 1. The consideration paid for a gift certificate which has
18 remained unredeemed for two (2) years or more after its
19 redemption period has expired or for [seven (7)] five (5) years
20 or more from the date of issuance if no redemption period is
21 specified.

22 2. Any certificate of stock or participating right in a
23 business association, for which a certificate has been issued or
24 is issuable but has not been delivered, whenever the owner
25 thereof has not claimed such property, or corresponded in
26 writing with the business association concerning it, within
27 [seven (7)] five (5) years after the date prescribed for
28 delivery of the property to the owner.

29 3. Any sum due as a dividend, profit, distribution, payment
30 or distributive share of principal held or owing by a business

1 association, whenever the owner has not claimed such sum or
2 corresponded in writing with the business association concerning
3 it within [seven (7)] five (5) years after the date prescribed
4 for payment or delivery.

5 4. Any sum due as principal or interest on the business
6 association's bonds or debentures, or coupons attached thereto,
7 whenever the owner has not claimed such sum or corresponded in
8 writing with the business association concerning it within
9 [seven (7)] five (5) years after the date prescribed for
10 payment.

11 5. Any sum or certificate or participating right due by a
12 cooperative to a participating patron, whenever the owner has
13 not claimed such property, or corresponded with the cooperative
14 concerning the same within [seven (7)] five (5) years after the
15 date prescribed for payment or delivery.

16 Section 1301.8. Property Held by Fiduciaries.--The following
17 property held by fiduciaries is presumed abandoned and
18 unclaimed:

19 All property held in a fiduciary capacity for the benefit of
20 another person, unless the owner within [seven (7)] five (5)
21 years after it has or shall become payable or distributable has
22 increased or decreased the principal, accepted payment of
23 principal or income, corresponded in writing concerning the
24 property or otherwise indicated an interest therein as evidenced
25 by a writing on file with the fiduciary.

26 Section 3. Section 1301.9 of the act, amended May 16, 1986
27 (P.L.197, No.60), is amended to read:

28 Section 1301.9. Property Held by Courts and Public Officers
29 and Agencies.--The following property is presumed abandoned and
30 unclaimed:

1 1. Except as provided in clause 2, all property held for the
2 owner by any court, public corporation, public authority or
3 instrumentality of the United States, the Commonwealth, or any
4 other state, or by a public officer or political subdivision
5 thereof, unclaimed by the owner for more than [seven (7)] five
6 (5) years from the date it first became demandable or
7 distributable.

8 2. Bicycles held for the owner by a municipality unclaimed
9 by the owner for more than ninety (90) days from the date it
10 first became demandable or distributable.

11 3. The bicycles held pursuant to clause 2 may be disposed of
12 by the municipality at public auction at such time and place as
13 may be designated by the municipality or the governing body may,
14 by resolution, donate the bicycles to a charitable organization.
15 Any proceeds from the sale of the bicycles shall be retained by
16 the municipality and used for municipal purposes.

17 4. Bicycles held by or acquired by the Commonwealth for
18 ninety (90) days may be disposed of at public auction at such
19 time and place as may be designated by the [Secretary of
20 Revenue] State Treasurer. Proceeds of such sale or sales shall
21 be deposited in the General Fund.

22 5. All property held by or subject to the control of any
23 court, public corporation, public authority or instrumentality
24 of the Commonwealth or by a public officer or political
25 subdivision thereof, which is without a rightful or lawful
26 owner, to the extent not otherwise provided for by law, held for
27 more than one year.

28 Section 4. Section 1301.10 of the act, added December 9,
29 1982 (P.L.1057, No.248), is amended to read:

30 Section 1301.10. Miscellaneous Property Held for or Owing to

1 Another.--The following property, held or owing to any owner, is
2 presumed abandoned and unclaimed:

3 All property, not otherwise covered by this article, that is
4 admitted in writing by the holder and adjudicated to be due,
5 that is held or owing in the ordinary course of the holder's
6 business, and that has remained unclaimed by the owner for more
7 than [seven (7)] five (5) years after it became payable or
8 distributable is presumed abandoned and unclaimed.

9 Section 5. Section 1301.11 of the act, amended May 16, 1986
10 (P.L.197, No.60), December 12, 1994 (P.L.1015, No.138) and
11 December 15, 1999 (P.L.942, No.66), is amended to read:

12 Section 1301.11. Report of Property Subject to Custody and
13 Control of the Commonwealth under this Article.--(a) Every
14 person holding property which became subject to custody and
15 control of the Commonwealth under this article during the
16 preceding year shall report to the [secretary] State Treasurer
17 as hereinafter provided.

18 (b) The report shall be verified and shall include:

19 1. Except with respect to travelers checks and money orders,
20 the name, if known, social security number, if known, and last
21 known address, if any, of each person appearing from the records
22 of the holder to be the owner of any property of the value of
23 [twenty-five dollars (\$25)] fifty dollars (\$50) or more;

24 2. The nature and identifying number, if any, or description
25 of the property and the amount appearing from the records to be
26 due, except that items of value under [twenty-five dollars
27 (\$25)] fifty dollars (\$50) each may be reported in the
28 aggregate;

29 3. The date when the property became payable, demandable,
30 returnable or the date upon which the property was declared or

1 found to be without a rightful or lawful owner, and the date of
2 the last transaction with the owner with respect to the
3 property; and

4 4. Other information which the [secretary] State Treasurer
5 prescribes by rules or regulations as necessary for
6 administration of this article.

7 (c) If the person holding property subject to custody and
8 control of the Commonwealth under this article is a successor to
9 other persons who previously held the property for the owner, or
10 if the holder has changed his name while holding the property,
11 he shall file with his report all prior known names and
12 addresses of each holder of the property.

13 (d) The report shall be filed on or before April 15 of the
14 year following the year in which the property first became
15 subject to custody and control of the Commonwealth under this
16 article. The [secretary] State Treasurer may postpone for a
17 period not exceeding six (6) months the reporting date upon
18 written request by any person required to file a report.

19 (e) Verification, if made by a partnership, shall be
20 executed by a partner; if made by an unincorporated association
21 or private corporation, by an officer; and if made by a public
22 corporation, by its chief fiscal officer; if made by a court, by
23 a justice, judge or district justice thereof; and if made by a
24 public officer of the United States, of the Commonwealth of
25 Pennsylvania or any political subdivisions thereof, or of any
26 other state or political subdivision thereof, by that public
27 officer.

28 (f) Subsequent to the filing of the reports required by this
29 section, the State Treasurer shall compile a list of the
30 abandoned and unclaimed property contained in the reports. The

1 listing shall contain the names, [amount of value] items of
2 property and last known addresses, if any, of the owners listed
3 in the reports. [The listing shall not be available to any
4 person for examination, inspection or copying prior to twenty-
5 four (24) months after the reports have been filed with or
6 payment or delivery of the property has been made to the State
7 Treasurer. After the twenty-four-month period provided for in
8 this section, the] The State Treasurer shall, after the
9 notification period provided for in section 1301.12, make the
10 listing available for examination, inspection or copying at fees
11 to be determined by the State Treasurer.

12 (g) All agreements or powers of attorney to recover or
13 collect abandoned and unclaimed property contained in the
14 reports filed under this article [which are made within twenty-
15 four (24) months after the date that the reports have been filed
16 with the State Treasurer shall be void.

17 (h) All such agreements entered into after the twenty-four-
18 month period] shall be valid and enforceable only if the
19 agreements:

20 1. are in writing and duly signed and acknowledged by the
21 owner;

22 2. clearly state the fee or compensation to be paid, which
23 shall not exceed fifteen per centum of the value of the
24 abandoned and unclaimed property;

25 3. disclose the nature and value of the property; and

26 4. disclose the name and address of the holder and, if
27 known, whether the abandoned and unclaimed property has been
28 paid or delivered to the State Treasurer.

29 (i) Subsection (g) shall not apply to any agreement or power
30 of attorney entered into between the personal representative,

1 guardian, trustee or other person in a representative capacity
2 to the owner of the property in which such person has an
3 interest for a fixed fee or hourly or daily rate not contingent
4 upon the discovery of property or the value of property
5 discovered: Provided, however, That any such agreement under
6 this subsection for the purpose of evading the provisions of
7 subsection (g) shall be void.

8 (j) Nothing in this section shall be construed to prevent an
9 owner from asserting at any time that any agreement to locate or
10 reveal abandoned and unclaimed property reported to the State
11 Treasurer is based on an excessive or unjust consideration.

12 (k) To the maximum extent feasible, the State Treasurer
13 shall be entitled to request and receive and shall utilize and
14 be provided with such facilities, resources and data of any
15 court, department, division, board, bureau, commission or agency
16 of the Commonwealth or any political subdivision thereof as it
17 may reasonably request to carry out properly its powers and
18 duties hereunder.

19 Section 6. Section 1301.12 of the act, amended May 16, 1984
20 (P.L.197, No.60) and December 15, 1999 (P.L.942, No.66), is
21 amended to read:

22 Section 1301.12. Notice and Publication of Lists of Property
23 Subject to Custody and Control of the Commonwealth under this
24 Article.--(a) Within [nine (9)] twelve(12) months from the
25 filing of the report required by section 1301.11, the
26 [secretary] State Treasurer shall cause notice to be published
27 at least once [each week for two (2) successive weeks] in an
28 English language newspaper of general circulation in the county
29 in which the owner of the property had a last known address
30 appearing from the verified report filed by the holder or, if

1 there is no name or address or the owner is not a Pennsylvania
2 resident, then at least one time in the Pennsylvania Bulletin.

3 (b) The published notice shall be entitled "Notice of Names
4 of Persons Appearing to be Owners of Abandoned and Unclaimed
5 Property," and shall contain:

6 1. The names and last known addresses, if any, of persons
7 listed in the report and entitled to notice within the county as
8 hereinbefore specified and the name and address of the holder;

9 2. A statement that information concerning the amount or
10 description of the property and the name and address of the
11 holder may be obtained by any persons possessing an interest in
12 the property by addressing an inquiry to the holder;

13 3. A statement that a proof of claim should be presented by
14 the owner to the holder within three (3) months from the date of
15 the [second] published notice, and that thereafter claims should
16 be filed with the [secretary] State Treasurer.

17 (c) The [secretary] State Treasurer is not required to
18 publish in such notice any item of less than one hundred dollars
19 (\$100) unless [he] State Treasurer deems such publication to be
20 in the public interest.

21 (d) Within [six (6)] nine (9) months from the receipt of the
22 report required by section 1301.11, the [secretary] State
23 Treasurer shall mail a notice to each person having an address
24 listed who appears to be entitled to property of the value of
25 one hundred dollars (\$100) or more subject to custody and
26 control of the Commonwealth under this article. The mailed
27 notice shall contain:

28 1. A statement that, according to a report filed with the
29 [secretary] State Treasurer, property is being held to which the
30 addressee appears entitled;

2. The name and address of the holder of the property and any necessary information regarding changes of name and address of the holder;

3. A statement that, if satisfactory proof of claim is not presented by the owner to the holder by the date specified in the published notice, claims should thereafter be filed with the [secretary] State Treasurer.

(e) This section is not applicable to sums payable on travelers checks and money orders or to property reported to be without a rightful or lawful owner.

Section 7. Section 1301.13 of the act, amended May 16, 1984 (P.L.197, No.60), is amended to read:

Section 1301.13. Payment or Delivery.--(a) Every person who holds property subject to the custody and control of the Commonwealth shall, [within sixty (60) days after receipt of written demand from the secretary and] after compliance with section [1301.12] 1301.11, where required, and on or before April 15 of the year following the year in which the property first became subject to custody and control of the Commonwealth under this article, pay or deliver to the [secretary] State Treasurer all property subject to custody and control of the Commonwealth under this article, except that, if the owner establishes his right to receive the property to the satisfaction of the holder, or if it appears that for some other reason the property is not then subject to custody and control of the Commonwealth under this article, the holder need not pay or deliver the property to the [secretary] State Treasurer, but in lieu thereof shall file a verified written explanation of the proof of claim or as to the reason the property is not subject to custody and control of the Commonwealth.

(b) A receipt shall be issued, on behalf of the Commonwealth, for all property received under this article.

(c) Notwithstanding subsection (a) of this section, in the case of the deposits and the sums payable under clauses 1 and 3 of section 1301.3 the amount of such deposits and such sums shall be paid to the [secretary] State Treasurer on or before the final date for filing the report required by section 1301.11.

(d) Any person who holds property which may become subject to the custody and control of the Commonwealth pursuant to this act may, with the consent of the [secretary] State Treasurer, report and deliver such property prior to the expiration of any holding period specified for such reporting. Any person who pays or delivers property prior to the expiration of such holding period shall be relieved of further liability pursuant to section 1301.14. Property thus reported may be disposed of pursuant to [sections 1301.12 and] section 1301.17, but in no event shall the period for filing of claims be diminished by such early delivery or disposition.

Section 8. Sections 1301.14, 1301.15 and 1301.16 of the act, added December 9, 1982 (P.L.1057, No.248), are amended to read:

Section 1301.14. Relief from Liability by Payment or Delivery.--Upon the payment or delivery of the property to the [secretary] State Treasurer, the Commonwealth shall assume custody and shall be responsible for the safekeeping thereof. Any person who pays or delivers property to the [secretary] State Treasurer under this article is relieved of all liability with respect to the safekeeping of such property so paid or delivered for any claim which then exists or which thereafter may arise or be made in respect to such property. Any holder who

1 has paid moneys to the [secretary] State Treasurer pursuant to
2 this article may make payment to any person appearing to such
3 holder to be entitled thereto. In the case of deposits and sums
4 paid to the [secretary] State Treasurer under subsection (c) of
5 section 1301.13, financial institutions shall make payment to
6 any person appearing to such financial institution to be
7 entitled thereto. Upon proof of such payment by a holder and
8 proof that the payee was entitled thereto, the [secretary] State
9 Treasurer shall forthwith reimburse the holder for such payment
10 together with interest from the date of receipt of such proofs
11 by the [secretary] State Treasurer to a date within thirty (30)
12 days of the date of mailing of the reimbursement. Interest under
13 this section shall be at the rate prevailing for tax over
14 payments on the date of receipt of the proofs by the [secretary]
15 State Treasurer as provided for in section 806 of this act.

16 Section 1301.15. Income Accruing After Payment or
17 Delivery.--When property is paid or delivered to the [secretary]
18 State Treasurer under this article, the owner is entitled to
19 receive income or other increments actually received by the
20 [secretary] State Treasurer.

21 Section 1301.16. Periods of Limitation.--Except as
22 hereinbelow set forth, the expiration of any period of time
23 specified by statute or court order, during which an action may
24 be commenced or maintained, or could have been commenced or
25 maintained, by the owner against the holder of the property,
26 shall not prevent such property from being subject to the
27 custody and control of the Commonwealth under this article, nor
28 affect the duty to file a report or to pay or deliver the
29 property to the [secretary] State Treasurer, as required by this
30 article, nor bar any action by the [secretary] State Treasurer

1 under this article, provided that:

2 1. If any holder required to file a report under any act in
3 effect prior to the effective date of this article, or under
4 this article, has filed or files a report, no action shall be
5 commenced or maintained against such holder unless it has been
6 or is commenced within fifteen (15) years after such report has
7 been or is filed.

8 2. If any holder was not required to file a report under any
9 act in effect prior to the effective date hereof, no action
10 shall be commenced or maintained unless it has been or is
11 commenced within fifteen (15) years after the property first
12 became escheatable or payable into the State Treasury without
13 escheat.

14 Section 9. Section 1301.17 of the act, amended May 16, 1986
15 (P.L.197, No.60), is amended to read:

16 Section 1301.17. Disposition of Property.--(a) Within a
17 reasonable time after delivery to [him] the State Treasurer of
18 any property under this article, the [secretary] State Treasurer
19 may sell it to the highest bidder at public sale in whatever
20 city in the Commonwealth affords, in [his] the State Treasurer's
21 judgment, the most favorable market for the property involved.
22 The [secretary] State Treasurer may decline the highest bid or
23 reoffer the property for sale if [he] the State Treasurer
24 considers the price bid insufficient. [He] The State Treasurer
25 need not offer any property for sale, if, in [his] the State
26 Treasurer's opinion, the probable cost of sale exceeds the value
27 of the property.

28 (b) If the property is of a type customarily sold on a
29 recognized market or of a type which is subjected to widely
30 distributed standard price quotations, the [secretary] State

1 Treasurer may sell the property without notice by publication or
2 otherwise. The language provided in this section grants to the
3 State Treasurer, express authority to sell any property
4 including, but not limited to, stocks, bonds, notes, bills and
5 all other public or private securities.

6 (c) Property reported or delivered to the custody or control
7 of the [secretary] State Treasurer pursuant to this act may be
8 donated to the use of the Commonwealth or any of its political
9 subdivisions or otherwise consumed or discarded, at the
10 discretion of the [secretary] State Treasurer where, in the
11 opinion of the [secretary] State Treasurer, the costs associated
12 with delivery, notice or sale exceed the value of the property.
13 Property which is refused or is to be donated to the use of a
14 political subdivision shall first be offered to the political
15 subdivision which holds the property. A donee or purchaser at
16 any sale conducted by the [secretary] State Treasurer pursuant
17 to this article shall receive title to the property purchased,
18 free from all claims of the owner or prior holder thereof and of
19 all persons claiming through or under them. The [secretary]
20 State Treasurer shall execute all documents necessary to
21 complete the transfer of title.

22 (d) The State Treasurer shall be responsible to an owner only
23 for the amount actually received by the State Treasurer upon the
24 sale of any property pursuant to subsections (a), (b) and (c).

25 Section 10. Sections 1301.18, 1301.19, 1301.20 and 1301.21,
26 added December 9, 1982 (P.L.1057, No.248), are amended to read:

27 Section 1301.18. Deposit of Funds.--(a) All funds received
28 under this article, including the proceeds from the sale of
29 property under section 1301.17, shall forthwith be deposited by
30 the [secretary] State Treasurer in the General Fund of the

1 Commonwealth, except that the [secretary] State Treasurer shall
2 retain in a separate trust fund an amount not exceeding twenty-
3 five thousand dollars (\$25,000) plus twenty per centum of
4 deposits and sums paid to the [secretary] State Treasurer under
5 subsection (c) of section 1301.13 during the preceding twelve
6 (12) months from which [he] the State Treasurer shall make
7 reimbursements under section 1301.14 and prompt payment of
8 claims duly allowed under section 1301.19. Before making the
9 deposit [he] the State Treasurer shall record the name and last
10 known address of each person appearing from the holders' reports
11 to be entitled to the property and of the name and last known
12 address of each insured person or annuitant, and with respect to
13 each policy or contract listed in the report of an insurer, its
14 number, the name of the insurer and the amount due. The record
15 with respect to any specific claim shall be available to the
16 claimant at all regular business hours.

17 (b) Before making any deposit to the credit of the General
18 Fund, the [secretary] State Treasurer may deduct:

19 (i) Reasonable costs in connection with sale of the
20 property,

21 (ii) Reasonable costs of mailing and publication in
22 connection with any property, and

23 (iii) Reasonable service charges.

24 Section 1301.19. Claim for Property Paid or Delivered.--Any
25 person claiming an interest in any property paid or delivered to
26 the Commonwealth under this article may file a claim thereto or
27 to the proceeds from the sale thereof on the form prescribed by
28 the [secretary] State Treasurer.

29 Section 1301.20. Determination of Claims.--(a) The
30 [secretary] State Treasurer shall consider any claim filed under

1 this article and may hold a hearing and receive evidence
2 concerning it. If a hearing is held, [he] the State Treasurer
3 shall prepare a finding and a decision in writing on each claim
4 filed, stating the substance of any evidence heard by [him] the
5 State Treasurer and the reasons for [his] the State Treasurer's
6 decision. The decision shall be a public record.

7 (b) If the claim is allowed, the [secretary] State Treasurer
8 shall make payment forthwith.

9 Section 1301.21. Judicial Action upon Determinations.--Any
10 person aggrieved by a decision of the [secretary] State
11 Treasurer, or as to whose claim the [secretary] State Treasurer
12 has failed to act within ninety (90) days after the filing of
13 the claim, may commence an action in the Commonwealth Court to
14 establish his claim. The proceeding shall be brought within
15 thirty (30) days after the decision of the [secretary] State
16 Treasurer or within one hundred twenty (120) days from the
17 filing of the claim if the [secretary] State Treasurer fails to
18 act. The action shall be tried de novo without a jury.

19 Section 11. Section 1301.22 of the act, amended May 16, 1986
20 (P.L.197, No.60), is amended to read:

21 Section 1301.22. Election to Take Payment or Delivery.--The
22 [secretary] State Treasurer may decline to receive any item of
23 property reported, in which event the holder thereof shall be
24 discharged of any liability to the Commonwealth with respect
25 thereto. Unless the holder of the property is notified to the
26 contrary within [one hundred twenty (120)] ninety (90) days
27 after filing the report required under section 1301.11, the
28 [secretary] State Treasurer shall be deemed to have elected to
29 receive the custody of the property.

30 Section 12. Sections 1301.23, 1301.24, 1301.25, 1301.26 and

1 1301.28 of the act, added December 9, 1982 (P.L.1057, No.248),
2 are amended to read:

3 Section 1301.23. Examination of Records.--If the [secretary]
4 State Treasurer has reason to believe that any holder has failed
5 to report property that should have been reported pursuant to
6 this article, the [secretary] State Treasurer may, at reasonable
7 times and upon reasonable notice, examine the records of such
8 person with respect to such property. In the absence of adequate
9 records, an estimation technique will be applied.

10 Section 1301.24. Proceeding to Compel Reporting or
11 Delivery.--(a) If any person refuses to report or deliver
12 property to the [secretary] State Treasurer as required under
13 this article, the Commonwealth shall bring an action in a court
14 of appropriate jurisdiction to enforce reporting or delivery. In
15 any such action the Pennsylvania Rules of Civil Procedure shall
16 apply, including without limitation those pertaining to
17 discovery.

18 (b) If any holder fails, without proper cause, (i) to report
19 or (ii) to pay and deliver to the [secretary] State Treasurer
20 property subject to custody and control of the Commonwealth
21 under this article, such holder shall be liable to pay to the
22 [secretary] State Treasurer interest at the rate of twelve per
23 centum per annum from the time such report should have been
24 filed, to be computed on the value of such property as
25 established in an action by the [secretary] State Treasurer
26 under subsection (a), and such interest shall be recoverable in
27 the same action.

28 Section 1301.25. Penalties.--(a) Any person who, without
29 proper cause, fails to render any report or perform other duties
30 required under this article, shall, upon conviction in a summary

1 proceeding be sentenced to pay a fine of [ten dollars (\$10)] one
2 hundred dollars (\$100) for each day such report is withheld, but
3 not more than [one thousand dollars (\$1,000)] ten thousand
4 dollars (\$10,000).

5 (b) Any person who, without proper cause, refuses to pay or
6 deliver property to the [secretary] State Treasurer as required
7 under this article shall be guilty of a misdemeanor and, upon
8 conviction thereof, shall be sentenced to pay a fine of not less
9 than [one hundred dollars (\$100)] one thousand dollars (\$1,000)
10 nor more than [one thousand dollars (\$1,000)] ten thousand
11 dollars (\$10,000), or imprisonment for not more than [twelve
12 (12)] twenty-four (24) months, or both.

13 Section 1301.26. Rules and Regulations.--The [secretary]
14 State Treasurer is hereby authorized to make necessary rules and
15 regulations to carry out the provisions of this article.

16 [Section 1301.28. Exclusions.--The provisions of this
17 article shall not apply to nonprofit hospitalization
18 corporations or nonprofit medical service corporations.]

19 Section 13. The act is amended by adding a section to read:

20 Section 1301.28a. Interdepartmental Cooperation.--The
21 Department of Revenue, the Department of Transportation and the
22 head of any other department, board, commission, agency or
23 instrumentality of the Commonwealth shall, unless otherwise
24 prohibited by law, disclose to the Treasury Department any
25 information which may be of assistance in locating individuals
26 listed in the Treasury Department's records as owners of
27 unclaimed property. The information shall include, but is not
28 limited to, last known addresses. Upon receipt, the Treasury
29 Department shall keep this information confidential and shall
30 use it solely to assist in the process of returning unclaimed

1 property to its rightful owner.

2 Section 14. Section 1301.29 of the act, added December 9,
3 1982 (P.L.1057, No. 248), is amended to read:

4 Section 1301.29. Repeal.--The act of August 9, 1971
5 (P.L.286, No.74), known as the "Disposition of Abandoned and
6 Unclaimed Property Act," [is] and all other provisions of law
7 which are inconsistent with this article are hereby repealed.

8 Section 15. This act shall take effect in 60 days.