

TO: All Senators
FROM: Senator Jay Costa
DATE: January 12, 2011
SUBJECT: Introduction of legislation
Re: Small Bank Account Closing

Please join me in sponsoring legislation introduced as S.B. 266 in the 2009-2010 legislative session by Senators COSTA, HUGHES, KITCHEN, STOUT, FONTANA, TARTAGLIONE, RAFFERTY, O'PAKE, LOGAN, TOMLINSON, BOSCOLA, GREENLEAF, BROWNE, EARLL AND FERLO.

I was contacted by an attorney in my district who handles estate administration for his clients. He informed me that for over 35 years, Pennsylvania law has authorized banks to close out a small account without estate administration for the purposes of releasing the money for funeral expenses without the necessity of formal estate administration. However, the last time the maximum amount was raised for this purpose was in 1975 when the maximum amount increased from \$2,000 to \$3,500. As you can imagine, funeral costs now exceed this modest amount. My legislation proposes an increase to this cap from \$3,500 to \$10,000 permitting banks to close a small account for the purposes of paying a decedents funeral expenses.

I hope you will join me in sponsoring this legislation by contacting Anne Griffin-Gray in my office at 7-7683 or e-mailing her at aggray@pasenate.com. Thank you for your attention to this matter.