

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1293 Session of 2014

INTRODUCED BY HUGHES, SMITH, SOLOBAY, FONTANA, COSTA, TOMLINSON,  
BLAKE, WOZNIAK, STACK, LEACH, FERLO, WILEY, YUDICHAK AND  
KASUNIC, MARCH 28, 2014

REFERRED TO FINANCE, MARCH 28, 2014

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," in disposition of abandoned and unclaimed  
31 property, further providing for property held by financial  
32 institutions, for property held by insurers, for property  
33 held by utilities, for property held by business

1 associations, for property held by fiduciaries, for property  
2 held by courts and public officers and agencies and for  
3 miscellaneous property held for or owing to another.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Section 1301.3 of the act of April 9, 1929  
7 (P.L.343, No.176), known as The Fiscal Code, amended June 29,  
8 2002 (P.L.614, No.91) and December 23, 2003 (P.L.243, No.45), is  
9 amended to read:

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

13 1. Any demand, saving or matured time deposit in a financial  
14 institution, or any funds paid toward the purchase of shares or  
15 other interest in a savings association, savings and loan or  
16 building and loan association, excluding any charges that may  
17 lawfully be withheld, unless within the preceding [five (5)]  
18 three (3) years the owner has:

19 (i) Increased the amount of the deposit, shares or claim,  
20 otherwise than by the crediting of accrued interest, or  
21 decreased it, or presented to the holder evidence of the  
22 deposit, shares or claim; or

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

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

27 (iv) Received tax reports or regular statements of the  
28 deposits, shares or claim by certified mail or other method of  
29 communication that will provide the financial institution with a  
30 record that such report or statement was transmitted and  
31 received; or

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

3 2. A deposit under clause 1 shall include any interest or  
4 dividend which the financial institution would pay to the owner  
5 upon claim therefor. The charges which may be excluded hereunder  
6 shall not include any charge due to inactivity imposed, directly  
7 or indirectly, after December 31, 1981 unless there is a valid  
8 and enforceable written contract between the financial  
9 institution and the owner of the deposit pursuant to which the  
10 financial institution may impose said charge.

11 3. Any sum payable on checks or on written instruments  
12 including, but not limited to, drafts, money orders and  
13 travelers checks, on which a financial institution is directly  
14 liable, and (i) which have been outstanding for more than [five  
15 (5)] three (3) years, or in the case of travelers checks,  
16 fifteen (15) years, or in the case of money orders, six (6)  
17 years in calendar year 2003 and seven (7) years in calendar year  
18 2004 and thereafter, from the date payable or from the date of  
19 issuance if payable on demand; and (ii) the owner of which has  
20 not written to the financial institution concerning it, nor  
21 otherwise indicated an interest as evidenced by a writing on  
22 file with the financial institution.

23 4. Any funds or other personal property, tangible or  
24 intangible, removed from a safe deposit box or any other  
25 safekeeping repository in the Commonwealth on which the lease or  
26 rental period has expired due to nonpayment of rental charges or  
27 other reason, or any surplus amounts arising from the sale  
28 thereof pursuant to law, if the same has not been claimed by the  
29 owner for more than [five (5)] three (3) years from the date on  
30 which the rental period expired.

1       5. The following deposits described in clause 1 shall be  
2 excluded from the presumption of being abandoned and unclaimed  
3 only while the conditions described below are in effect:

4       (i) Deposits during any period when withdrawals may be made  
5 only upon an order of a court of competent jurisdiction.

6       (ii) Deposits established under 20 Pa.C.S. Ch. 53 (relating  
7 to Pennsylvania Uniform Transfers to Minors Act) or similar law  
8 concerning transfers to minors while the custodianship has not  
9 been terminated.

10       (iii) Burial reserve accounts and similar deposits  
11 established under written agreements to provide for the funeral  
12 and/or burial expenses of a person while the person is still  
13 alive.

14       Section 2. Section 1301.4 of the act, amended December 23,  
15 2003 (P.L.243, No.45), is amended to read:

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

19       1. Any moneys held or owing by an insurer as established by  
20 its records under any contract of annuity or policy of life  
21 insurance including premiums returnable or dividends payable,  
22 unclaimed and unpaid for more than [five (5)] three (3) years  
23 after the moneys have or shall become due and payable under the  
24 provisions of such contract of annuity or policy of insurance. A  
25 life insurance policy not matured by actual proof of the death  
26 of the insured is deemed to be matured and the proceeds thereof  
27 are deemed to be due and payable if such policy was in force  
28 when the insured attained the limiting age under the mortality  
29 table on which the reserve is based, unless the person appearing  
30 entitled thereto has within the preceding [five (5)] three (3)

1 years, (i) assigned, readjusted or paid premiums on the policy,  
2 or subjected the policy to loan, or (ii) corresponded in writing  
3 with the insurer concerning the policy.

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

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

14 4. Property distributable in the course of a demutualization  
15 or related reorganization of an insurance company is deemed  
16 abandoned two (2) years after the date of the demutualization or  
17 reorganization if instruments or statements reflecting the  
18 distribution are either mailed to the owner and returned by the  
19 post office as undeliverable or not mailed to the owner because  
20 of a known bad address on the books and records of the holder.

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

24 1. Any moneys held or owing by an insurer as established by  
25 its records under any contract of insurance other than annuity  
26 or life insurance, including premiums or deposits returnable or  
27 dividends payable to policy or contract holders or other persons  
28 entitled thereto, unclaimed and unpaid for more than [five (5)]  
29 three (3) years after the moneys have or shall become due and  
30 payable under the provisions of such contracts of insurance.

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

9        Section 3. Section 1301.5 of the act, amended June 29, 2002  
10 (P.L.614, No.91), is amended to read:

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

14        1. Any customer advance, toll, deposit or collateral  
15 security or any other property held by any utility if under the  
16 terms of an agreement the advance, toll, deposit, collateral  
17 security or other property is due to or demandable by the owner  
18 and has remained unclaimed for [five (5)] three (3) years or  
19 more from the date when it first became due to or demandable by  
20 the owner under the agreement.

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

26        Section 4. Section 1301.6 of the act, amended June 29, 2002  
27 (P.L.614, No.91) and November 9, 2006 (P.L.1335, No.138), is  
28 amended to read:

29        Section 1301.6. Property Held by Business Associations.--The  
30 following property held or owing by a business association is

1 presumed abandoned and unclaimed:

2 1. The consideration paid for a gift certificate or gift  
3 card which has remained unredeemed for two (2) years or more  
4 after its redemption period has expired or for [five (5)] three  
5 (3) years or more from the date of issuance if no redemption  
6 period is specified. The provisions of this clause shall not  
7 apply to a qualified gift certificate.

8 2. Any certificate of stock or participating right in a  
9 business association, for which a certificate has been issued or  
10 is issuable but has not been delivered, whenever the owner  
11 thereof has not claimed such property, or corresponded in  
12 writing with the business association concerning it, within  
13 [five (5)] three (3) years after the date prescribed for  
14 delivery of the property to the owner.

15 3. Any sum due as a dividend, profit, distribution, payment  
16 or distributive share of principal held or owing by a business  
17 association, whenever the owner has not claimed such sum or  
18 corresponded in writing with the business association concerning  
19 it within [five (5)] three (3) years after the date prescribed  
20 for payment or delivery.

21 4. Any sum due as principal or interest on the business  
22 association's bonds or debentures, or coupons attached thereto,  
23 whenever the owner has not claimed such sum or corresponded in  
24 writing with the business association concerning it within [five  
25 (5)] three (3) years after the date prescribed for payment.

26 5. Any sum or certificate or participating right due by a  
27 cooperative to a participating patron, whenever the owner has  
28 not claimed such property, or corresponded with the cooperative  
29 concerning the same within [five (5)] three (3) years after the  
30 date prescribed for payment or delivery.

1 Section 5. Section 1301.8 of the act, amended June 29, 2002  
2 (P.L.614, No.91), is amended to read:

3 Section 1301.8. Property Held by Fiduciaries.--The following  
4 property held by fiduciaries is presumed abandoned and  
5 unclaimed:

6 All property held in a fiduciary capacity for the benefit of  
7 another person, unless the owner within [five (5)] three (3)  
8 years after it has or shall become payable or distributable has  
9 increased or decreased the principal, accepted payment of  
10 principal or income, corresponded in writing concerning the  
11 property or otherwise indicated an interest therein as evidenced  
12 by a writing on file with the fiduciary.

13 Section 6. Section 1301.9 of the act, amended November 9,  
14 2006 (P.L.1335, No.138), is amended to read:

15 Section 1301.9. Property Held by Courts and Public Officers  
16 and Agencies.--The following property is presumed abandoned and  
17 unclaimed:

18 1. Except as provided in clauses 2 and 2.1 or clause 6, all  
19 property held for the owner by any court, public corporation,  
20 public authority or instrumentality of the United States, the  
21 Commonwealth, or any other state, or by a public officer or  
22 political subdivision thereof, unclaimed by the owner for more  
23 than [five (5)] three (3) years from the date it first became  
24 demandable or distributable.

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

28 2.1. All tangible property, other than bicycles, held for  
29 the owner by a municipality unclaimed by the owner for more than  
30 three (3) years from the date it first became demandable or



1 distributable.

2 3. The bicycles held pursuant to clause 2 and tangible  
3 property held pursuant to clause 2.1 and which the State  
4 Treasurer refuses in writing to accept may be disposed of by the  
5 municipality to the highest bidder after due notice by  
6 advertisement for bids or at public auction at such time and  
7 place as may be designated by the municipality or the governing  
8 body may, by resolution, donate the bicycles or such tangible  
9 property to a charitable organization. Any proceeds from the  
10 sale of the bicycles or such tangible property shall be retained  
11 by the municipality and used for municipal purposes.

12 4. Bicycles held by or acquired by the Commonwealth for  
13 ninety (90) days may be disposed of at public auction at such  
14 time and place as may be designated by the State Treasurer.  
15 Proceeds of such sale or sales shall be deposited in the General  
16 Fund.

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

23 6. Restitution held for the owner by any court, public  
24 corporation, public authority or instrumentality of the  
25 Commonwealth, or by a public officer or political subdivision  
26 thereof, unclaimed by the owner for more than [five (5)] three  
27 (3) years from the date it first became demandable or  
28 distributable.

29 Section 7. Section 1301.10 of the act, amended December 23,  
30 2003 (P.L.243, No.45), is amended to read:

1 Section 1301.10. Miscellaneous Property Held for or Owing to  
2 Another.--The following property, held or owing to any owner, is  
3 presumed abandoned and unclaimed:

4 1. All property, not otherwise covered by this article, that  
5 is admitted in writing by the holder and adjudicated to be due,  
6 that is held or owing in the ordinary course of the holder's  
7 business, and that has remained unclaimed by the owner for more  
8 than [five (5)] three (3) years after it became payable or  
9 distributable is presumed abandoned and unclaimed except for  
10 clause 2.

11 2. Wages or other compensation for personal services that  
12 have remained unclaimed by the owner for more than two (2) years  
13 after the wages or other compensation for personal services  
14 become payable or are distributed are presumed abandoned and  
15 unclaimed.

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