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I N   S E N A T E

May 12, 2016

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Introduced by Sen. VALESKY -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

AN ACT to amend the abandoned property law, in relation to extending the term for claiming unclaimed property from three to five years

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     Section 1. Paragraphs (a), (b), (c), (d), (e), (f), (g), (i) and (k)  
2     of subdivision 1 of section 300 of the abandoned property law, para-  
3     graphs (a), (b) and (k) as amended by section 1 of part A of chapter 61  
4     of the laws of 2011, paragraph (c) as amended by section 5 of part T of  
5     chapter 62 of the laws of 2006, paragraph (d) as amended by chapter 48  
6     of the laws of 1978, paragraphs (e) and (f) as amended by chapter 41 of  
7     the laws of 1987 and paragraphs (g) and (i) as added by chapter 15 of  
8     the laws of 1983, are amended to read as follows:  
9     (a) Any amounts due on deposits or any amounts to which a shareholder  
10    of a savings and loan association or a credit union is entitled, held or  
11    owing by a banking organization, which shall have remained unclaimed for  
12    [three] FIVE years by the person or persons appearing to be entitled  
13    thereto, including any interest or dividends credited thereon, excepting  
14    (i) any such amount which has been reduced or increased, exclusive of  
15    dividend or interest payment, within [three] FIVE years, or  
16    (ii) any such amount which is represented by a passbook not in the  
17    possession of the banking organization, which has been presented for  
18    entry of dividend or interest credit within [three] FIVE years, or  
19    (iii) any such amount with respect to which the banking organization  
20    has on file written evidence received within [three] FIVE years that the  
21    person or persons appearing to be entitled to such amounts had knowledge  
22    thereof, or  
23    (iv) any such amount payable only at or by a branch office located in  
24    a foreign country, or payable in currency other than United States  
25    currency, or  
26    (v) any such amount that is separately identifiable and has been set  
27    aside to meet the burial and related expenses of an individual, provided  
28    however that said amount shall be deemed abandoned property where it

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets [ ] is old law to be omitted.

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1 remains unclaimed for [three] FIVE years subsequent to the death of the  
2 individual for whom the amount was deposited.

3 (b) Any amounts, together with all accumulations of interest or other  
4 increment thereon, held or owing by a banking organization for the  
5 payment of an interest in a bond and mortgage apportioned or transferred  
6 by it pursuant to subdivision seven of former section one hundred eight-  
7 y-eight of the banking law as it existed prior to July first, nineteen  
8 hundred thirty-seven, which shall have remained unclaimed by the person  
9 or persons appearing to be entitled thereto for [three] FIVE years after  
10 the full and final liquidation of such mortgage, excepting

11 (i) any such amount which has been reduced by payment to the person or  
12 persons appearing to be entitled thereto within [three] FIVE years, or

13 (ii) any such amount which is represented by a certificate of share  
14 ownership not in the possession of the banking organization, which  
15 certificate has been presented for transfer within [three] FIVE years,  
16 or

17 (iii) any such amount with respect to which the banking organization  
18 has on file written evidence received within [three] FIVE years that the  
19 person or persons appearing to be entitled to such amount had knowledge  
20 thereof.

21 (c) Any amount held or owing by a banking organization for the payment  
22 of a negotiable instrument under article three of the uniform commercial  
23 code or a certified check whether negotiable or not, on which such  
24 organization is directly liable, which instrument shall have been  
25 outstanding for more than [three] FIVE years from the date it was paya-  
26 ble or from the date of its issuance, if payable on demand; provided,  
27 however, the provisions of this paragraph shall not apply

28 (i) to any negotiable instrument payable outside the continental  
29 limits of the United States, or

30 (ii) to any instrument payable in currency other than United States  
31 currency.

32 (d) After the expiration of [three] FIVE years from the opening of any  
33 vault, safe deposit box or other receptacle by a banking organization  
34 pursuant to the provisions of the banking law, any surplus amounts aris-  
35 ing from a sale by such banking organization of the contents of such  
36 vault, safe deposit box or other receptacle pursuant to the provisions  
37 of the banking law, the balance remaining of any United States coin or  
38 currency among the contents of such vault, safe deposit box or other  
39 receptacle and the balance remaining of the proceeds of the principal of  
40 or interest or dividends on any securities among the contents of such  
41 vault, safe deposit box or other receptacle or the securities themselves  
42 which have remained unsold by the banking organization.

43 (e) Any amount or security representing a dividend or other payment  
44 received (i) after June thirtieth, nineteen hundred forty, by a banking  
45 organization or its nominee as the record holder of any stock, bond, or  
46 other security of any corporation, association or joint stock company to  
47 which amount or security an unknown person (except a person entitled to  
48 such dividend or other payment upon the surrender of other outstanding  
49 securities) is entitled or (ii) on or after July first, nineteen hundred  
50 seventy-four by a banking organization or its nominee other than as a  
51 holder of record or as holder of record for known persons on any stock,  
52 bond or other security of any corporation, association or joint stock  
53 company or (iii) on or after July first, nineteen hundred eighty-four by  
54 a banking organization or its nominee on any stock, bond, or other secu-  
55 rity of a governmental or other public issuer, (1) which shall have  
56 remained unclaimed by the person entitled thereto for [three] FIVE years

1 after receipt thereof by such banking organization or its nominee, or  
2 (2) when the stock, bond or other security with respect to which such  
3 amount or security representing a dividend or other payment is payable  
4 has been deemed abandoned.

5 (f) Except as provided in paragraph (e) of this subdivision, any  
6 stock, bond or other security of any corporation, association or joint  
7 stock company received on or after July first, nineteen hundred seven-  
8 ty-seven or any stock, bond or other security of any governmental or  
9 other public issuer received on or after July first, nineteen hundred  
10 eighty-four by a banking organization or its nominee and held by such  
11 banking organization or its nominee (1) as holder of record of such  
12 stock, bond or other security, or (2) as custodian, trustee or fiduciary  
13 for a person other than the issuer with respect to such stock, bond or  
14 other security, or (3) for unknown persons where, for [three] FIVE  
15 successive years, (i) all amounts payable upon such stocks, bonds, or  
16 other securities of any corporation, association or joint stock company  
17 and received by such banking organization or its nominee on or after  
18 July first, nineteen hundred seventy-seven or all amounts payable upon  
19 such stocks, bonds, or other securities of any governmental or other  
20 public issuer and received by such banking organization or its nominee  
21 on or after July first, nineteen hundred eighty-four have remained  
22 unclaimed by the person entitled thereto, and (ii) no written communi-  
23 cation concerning such stock, bond or other security has been received  
24 from the person entitled thereto by such banking organization or its  
25 nominee.

26 (g) Any stock, bond, or other security held by a banking organization  
27 in any vault or other storage area in any capacity other than as set  
28 forth in paragraphs (d), (e) or (f) of this subdivision where, for  
29 [three] FIVE successive years, (i) such stock, bond, or other security  
30 has remained unclaimed by the person entitled thereto, and (ii) no writ-  
31 ten communication concerning such stock, bond or other security has been  
32 received from the person entitled thereto by such banking organization.

33 (i) Any amount or security which shall have become payable or deliver-  
34 able by a banking organization, as agent or trustee for a corporation,  
35 association or joint stock company which shall have discontinued the  
36 conduct of its business, or the corporate existence of which shall have  
37 terminated, without the right to receive such amount having passed to a  
38 successor or successors, and which shall have remained unpaid or unde-  
39 livered to the person or persons entitled thereto for [three] FIVE  
40 years.

41 (k) Lost property or instruments as defined in section two hundred  
42 fifty-one of the personal property law which shall have been held by a  
43 safe deposit company or bank for [three] FIVE years pursuant to the  
44 provisions of section two hundred fifty-six of the personal property  
45 law.

46 S 2. Subdivisions 1, 2 and 3 of section 501 of the abandoned property  
47 law, subdivisions 1 and 2 as added by chapter 166 of the laws of 1991,  
48 paragraph (b) of subdivision 1 as amended by section 2 of part T of  
49 chapter 62 of the laws of 2006, paragraph (a) of subdivision 2 as  
50 amended by section 3 of part T of chapter 62 of the laws of 2006,  
51 subparagraph (i) of paragraph (b) of subdivision 2 as amended by section  
52 4 of part T of chapter 62 of the laws of 2006 and subdivision 3 as  
53 amended by chapter 61 of the laws of 1989, are amended to read as  
54 follows:

55 1. (a) Any amount which, on or after January first, nineteen hundred  
56 forty-seven, shall have become payable or distributable by a domestic,

foreign or public corporation or by a fiduciary to a resident as the owner or former owner of a security as defined in paragraph (a) of subdivision two of section five hundred of this article, shall be deemed abandoned when the security with respect to which such amount is payable or distributable has been deemed abandoned, or when such amount:

(i) is payable or distributable to such resident as the owner or former owner of such security; and

(ii) has, on the thirty-first day of December in any year, remained unpaid to or unclaimed by such resident for a period of [three] FIVE years. For the purposes of this article, a security as defined in paragraph (a) of subdivision two of section five hundred of this article shall not be deemed abandoned until a period of [three] FIVE years has elapsed from the earlier of the maturity date of such security or the date such security has been called for redemption.

(b) Any amount which, on or after January first, nineteen hundred forty-seven shall have become payable or distributable by a domestic or foreign corporation or a fiduciary to a resident as the owner or former owner of a security as defined in paragraph (b) of subdivision two of section five hundred of this article, shall be deemed abandoned when the security with respect to which such amount is payable or distributable has been deemed abandoned or when such amount:

(i) is payable or distributable to such resident as the owner or former owner of such security; and

(ii) has, on the thirty-first day of December in any year, remained unpaid to or unclaimed by such resident for a period of [three] FIVE years.

2. (a) Except as provided in paragraph (b) of this subdivision, any security, as defined in paragraph (b) of subdivision two of section five hundred of this article, of any domestic corporation or foreign corporation owned by or formerly owned by a resident shall be deemed abandoned where, for [three] FIVE successive years:

(i) all amounts, if any, payable or distributable thereon or with respect thereto have remained unpaid to or unclaimed by such resident, and

(ii) no written communication has been received from such resident by the holder.

(b) (i) Any security, as defined in paragraph (b) of subdivision two of section five hundred of this article, of any domestic or foreign corporation in which a resident has an ownership interest and which is enrolled in a plan that provides for the automatic reinvestment of dividends, distributions, or other sums payable as the result of such interest shall be deemed abandoned when any security owned by such resident which is not enrolled in the plan has been deemed abandoned pursuant to paragraph (a) of this subdivision or when, for [three] FIVE successive years:

(1) all amounts, if any, payable thereon or with respect thereto have remained unpaid to or unclaimed by such resident, and

(2) no written communication has been received from such resident by the holder, and

(3) the holder does not know the location of such resident at the end of such [three] FIVE year period.

(ii) For purposes of this paragraph, the reinvestment of any dividend, distribution or other sum payable shall not be considered as payment of an amount for the purpose of extending the statutory period of inactivity after the expiration of which securities enrolled in a reinvestment plan are deemed abandoned.

1 (iii) Any corporation or fiduciary holding or evidencing on its books  
2 and records securities enrolled in a reinvestment plan shall notify the  
3 apparent owner by certified mail that such securities will be delivered  
4 to the state comptroller as abandoned property, pursuant to the  
5 provisions of section five hundred two of this article, unless such  
6 corporation or fiduciary receives written communication from the appar-  
7 ent owner of such securities indicating knowledge of such securities  
8 prior to the date that such securities are required to be delivered to  
9 the state comptroller. Such letter by certified mail shall be sent  
10 during the calendar year prior to the year in which such property would  
11 be required to be delivered to the state comptroller, but no later than  
12 the thirty-first day of December of such year. For purposes of this  
13 subdivision, a signed return receipt shall constitute written communi-  
14 cation received by the holder from the apparent owner.

15 (iv) All corporations or fiduciaries holding or evidencing on its  
16 books and records securities enrolled in a reinvestment plan shall  
17 retain, for a period of five years following the thirty-first day of  
18 December of the year for which a report of abandoned property has been  
19 filed, a list of (1) the dates and nature of any and all corporate  
20 notices which have been sent via first class mail to owners of such  
21 securities during the period to which such report relates, and (2) the  
22 names and addresses of all owners of such securities for whom postal  
23 authorities have returned any first class mail sent by the holder during  
24 the period to which such report relates, and the dates on which such  
25 mail was returned for each such owner. Nothing contained herein or in  
26 any other provision of this chapter shall preclude the state comp-  
27 troller, in the performance of his duties under this chapter, from veri-  
28 fying that all such notices have been sent and whether or not such  
29 notices have been returned to the holder by the postal authorities.

30 3. Any wages payable on or after July first, nineteen hundred sixty-  
31 three by a domestic or foreign corporation and held for a resident by  
32 such issuing corporation or held and payable by a fiduciary other than a  
33 broker or dealer as defined in section five hundred ten of this chapter  
34 for a resident shall be deemed to be abandoned property, where for  
35 [three] FIVE successive years:

36 (a) All such wages have remained unpaid to such resident, and

37 (b) No written communication has been received from such resident by  
38 the holder, and

39 (c) Notice regarding such wages has been sent by the corporation or  
40 fiduciary, via first class mail, to such resident at his last known  
41 address and such notice has been returned to the corporation or fiduci-  
42 ary by the postal authorities for inability to locate such resident.

43 S 3. Subdivisions 1, 1-a, 2, 3, 4 and 5 of section 511 of the aban-  
44 doned property law, subdivisions 1, 2, 3 and 4 as amended by chapter 617  
45 of the laws of 1973 and subdivisions 1-a and 5 as amended by chapter 767  
46 of the laws of 1983, are amended to read as follows:

47 1. Any amount (a) received in this state after June thirtieth, nine-  
48 teen hundred forty-six by a broker or dealer or nominee of such broker  
49 or dealer as the holder of record of a security remaining unpaid to the  
50 person entitled thereto for [three] FIVE years following the receipt  
51 thereof, or (b) when paid to such broker, dealer or nominee on or with  
52 respect to a security which has been deemed abandoned.

53 1-a. Any amount (a) received in this state on or after July first,  
54 nineteen hundred seventy-four by a broker or dealer or nominee of such  
55 broker or dealer other than as the holder of record of a security  
56 remaining unpaid to the person entitled thereto for [three] FIVE years

1 following the receipt thereof, or (b) when paid to such broker, dealer  
2 or nominee on or with respect to a security which has been deemed aban-  
3 doned.

4 2. Any amount (a) received in this state after June thirtieth, nine-  
5 teen hundred forty-six due from a broker or dealer or nominee of such  
6 broker or dealer to a customer which has remained unpaid to the customer  
7 for [three] FIVE years after the date of the last entry, other than the  
8 receipt of dividends or interest in the account of such broker, dealer  
9 or nominee with such customer, or (b) payable on or with respect to a  
10 security which has been deemed abandoned.

11 3. Any security held in this state by a broker or dealer, or nominee  
12 of such broker or dealer, as the holder of record of a security for a  
13 customer or for a person or persons unknown to such broker or dealer or  
14 nominee where, for [three] FIVE successive years, all amounts paid ther-  
15 eon or with respect thereto and received after June thirtieth, nineteen  
16 hundred forty-six by such broker or dealer or nominee have remained  
17 unclaimed. Provided, however, that if any amount or security specified  
18 in THIS subdivision OR SUBDIVISION one[, ] OR SUBDIVISION two [or three]  
19 of this section is reflected, recorded, or included in an account with  
20 respect to which such broker or dealer has on file evidence in writing  
21 received within the [three] FIVE years immediately preceding the thir-  
22 ty-first day of December preceding the date such amount or security  
23 would otherwise be payable or deliverable pursuant to section five  
24 hundred twelve OF THIS ARTICLE that the person entitled thereto had  
25 knowledge of such account, then such amount or security shall not be  
26 deemed abandoned property.

27 4. Any security held by a broker or dealer or nominee of such broker  
28 or dealer reflected, recorded, or included in an account with respect to  
29 which, for [three] FIVE successive years, all statements of account or  
30 other communications which have been sent, via first class mail, to the  
31 customer at his last known address have been returned to such broker,  
32 dealer or nominee by the postal authorities for inability to locate the  
33 customer, and no written communication has been received from the  
34 customer by such broker, dealer or nominee, provided such security was  
35 received or is held in this state by such broker, dealer or nominee or  
36 the last known address of the customer is located in this state.

37 5. Any wages held and payable on or after July first, nineteen hundred  
38 sixty-six by a broker or dealer, as defined in section five hundred ten  
39 of this article, for the benefit of a person or persons, known or  
40 unknown shall be deemed to be abandoned property, where for [three] FIVE  
41 successive years:

42 (a) All such wages have remained unpaid to such person, and

43 (b) No written communication has been received from such person by the  
44 holder, and

45 (c) Notice regarding such wages, if sent by the broker or dealer, via  
46 first class mail, to such person at his last known address has been  
47 returned to the broker or dealer by the postal authorities for inability  
48 to locate such person.

49 S 4. Subdivision 1 of section 700 of the abandoned property law, as  
50 amended by chapter 695 of the laws of 1964, paragraphs (a) and (c) as  
51 amended by chapter 78 of the laws of 1976, paragraph (b) as amended by  
52 section 13 of part A of chapter 61 of the laws of 2011, paragraph (d) as  
53 amended by chapter 767 of the laws of 1983 and paragraph (e) as added  
54 and paragraph (f) as amended by chapter 61 of the laws of 1989, is  
55 amended to read as follows:

1     1. The following unclaimed property held or owing by life insurance  
2 corporations shall be deemed abandoned property:

3     (a) Any moneys held or owing by any life insurance corporation which  
4 shall have remained unclaimed for [three] FIVE years by the person or  
5 persons appearing to be entitled thereto under matured life insurance  
6 policies on the endowment plan and which are payable to any person whose  
7 last-known address, according to the records of the corporation, is  
8 within this state.

9     (b) Any moneys held or owing by any life insurance corporation which  
10 are payable under other kinds of life insurance policies to any person  
11 whose last-known address, according to the records of the corporation,  
12 is within this state, where the insured, if living, would have attained  
13 the limiting age under the mortality table on which the reserves are  
14 based, exclusive of

15     (i) any policy which has within [three] FIVE years been assigned,  
16 readjusted, kept in force by payment of premium, reinstated or subjected  
17 to loan, or

18     (ii) any policy with respect to which such corporation has on file  
19 written evidence received within [three] FIVE years that the person or  
20 persons apparently entitled to claim thereunder have knowledge thereof.

21     (c) Any moneys held or owing by any life insurance corporation due to  
22 beneficiaries or other persons entitled thereto under policies on the  
23 lives of persons who have died where the last-known address, according  
24 to the records of the corporation, of the person or persons appearing to  
25 be entitled thereto is within this state, which moneys shall have  
26 remained unclaimed by the person or persons entitled thereto for [three]  
27 FIVE years.

28     (d) Any other moneys which are held or owing by any life insurance  
29 corporation on or after July first, nineteen hundred sixty-seven consti-  
30 tuting or representing refunds of any kind due upon or in connection  
31 with life insurance policies payable to any person whose last known  
32 address, according to the records of the corporation, is within this  
33 state, which moneys shall have remained unclaimed by the person entitled  
34 thereto for [three] FIVE years.

35     (e) Any moneys held or owing by any life insurance corporation on or  
36 after July first, nineteen hundred eighty-three upon or in connection  
37 with an annuity contract payable to any person whose last-known address,  
38 according to the records of the corporation, is within this state, which  
39 moneys shall have remained unclaimed by the person entitled thereto for  
40 [three] FIVE years.

41     (f) If no address of the person or persons appearing to be entitled to  
42 the unclaimed funds pursuant to PARAGRAPH (a), (b), (c), (d) or (e) of  
43 this subdivision is known to such corporation, or if it is not definite  
44 and certain from the records of such corporation what person is entitled  
45 to such funds, it shall be presumed that the last-known address of the  
46 person entitled to such funds is the same as the last-known address of  
47 the insured or annuitant according to the records of such corporation.  
48 Where no address can be ascertained, pursuant to this paragraph, for the  
49 insured, annuitant or person or persons entitled to the unclaimed funds,  
50 such person's last-known address shall be presumed to be within this  
51 state if the unclaimed funds are held or owing by life insurance corpo-  
52 ration organized under the laws of this state.

53     S 5. This act shall take effect immediately.