

STATE OF NEW YORK

3858

2019-2020 Regular Sessions

IN ASSEMBLY

January 31, 2019

Introduced by M. of A. MAGNARELLI -- read once and referred to the Committee on Ways and Means

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:

Section 1. Paragraphs (a), (b), (c), (d), (e), (f), (g), (i) and (k) of subdivision 1 of section 300 of the abandoned property law, paragraphs (a), (b) and (k) as amended by section 1 of part A of chapter 61 of the laws of 2011, paragraph (c) as amended by section 5 of part T of chapter 62 of the laws of 2006, paragraph (d) as amended by chapter 48 of the laws of 1978, paragraphs (e) and (f) as amended by chapter 41 of the laws of 1987 and paragraphs (g) and (i) as added by chapter 15 of the laws of 1983, are amended to read as follows:

(a) Any amounts due on deposits or any amounts to which a shareholder of a savings and loan association or a credit union is entitled, held or owing by a banking organization, which shall have remained unclaimed for ~~three~~ **five** years by the person or persons appearing to be entitled thereto, including any interest or dividends credited thereon, excepting

(i) any such amount which has been reduced or increased, exclusive of dividend or interest payment, within ~~three~~ **five** years, or

(ii) any such amount which is represented by a passbook not in the possession of the banking organization, which has been presented for entry of dividend or interest credit within ~~three~~ **five** years, or

(iii) any such amount with respect to which the banking organization has on file written evidence received within ~~three~~ **five** years that the person or persons appearing to be entitled to such amounts had knowledge thereof, or

(iv) any such amount payable only at or by a branch office located in a foreign country, or payable in currency other than United States currency, or

(v) any such amount that is separately identifiable and has been set aside to meet the burial and related expenses of an individual, provided 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 § 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,

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

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

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

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

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

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

27 2. (a) Except as provided in paragraph (b) of this subdivision, any
28 security, as defined in paragraph (b) of subdivision two of section five
29 hundred of this article, of any domestic corporation or foreign corpo-
30 ration owned by or formerly owned by a resident shall be deemed aban-
31 doned where, for [~~three~~] five successive years:

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

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

37 (b) (i) Any security, as defined in paragraph (b) of subdivision two
38 of section five hundred of this article, of any domestic or foreign
39 corporation in which a resident has an ownership interest and which is
40 enrolled in a plan that provides for the automatic reinvestment of divi-
41 dends, distributions, or other sums payable as the result of such inter-
42 est shall be deemed abandoned when any security owned by such resident
43 which is not enrolled in the plan has been deemed abandoned pursuant to
44 paragraph (a) of this subdivision or when, for [~~three~~] five successive
45 years:

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

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

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

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

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

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

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

(a) All such wages have remained unpaid to such resident, and
(b) No written communication has been received from such resident by the holder, and

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

§ 3. Subdivisions 1, 1-a, 2, 3, 4 and 5 of section 511 of the abandoned property law, subdivisions 1, 2, 3 and 4 as amended by chapter 617 of the laws of 1973 and subdivisions 1-a and 5 as amended by chapter 767 of the laws of 1983, are amended to read as follows:

1. Any amount (a) received in this state after June thirtieth, nineteen hundred forty-six by a broker or dealer or nominee of such broker or dealer as the holder of record of a security remaining unpaid to the person entitled thereto for ~~three~~ **five** years following the receipt thereof, or (b) when paid to such broker, dealer or nominee on or with respect to a security which has been deemed abandoned.

1-a. Any amount (a) received in this state on or after July first, nineteen hundred seventy-four by a broker or dealer or nominee of such broker or dealer other than as the holder of record of a security 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[~~7~~] 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 § 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 § 5. This act shall take effect immediately.