



UNCLAIMED PROPERTY ALERT

Pennsylvania Codifies Policy Guidance Issued In February 2017 to Amend the Presumption of Abandonment for Securities – PA HB 1929

In December of 2017 the Pennsylvania Treasury, Bureau of Abandoned and Unclaimed Property, issued a Policy Guidance statement regarding the reporting standards for business association as outlined in Section 1301.6(2) and (3). Georgeson has since reported that Pennsylvania proposed SB 1058 (and companion bill HB 2167) which would codify the guidance previously issued by the Treasury.

The provisions in SB 1058 and HB 2167 have since been added to an omnibus bill – HB 1929 and signed by the governor on June 22, 2018. As previously reported, this bill codifies the Treasury Policy Guidance issued in December.

Pennsylvania law now contains a dual reporting requirement for securities which includes the “lost” and no contact standards. Contact includes:

- an increase or decrease in the principal;
- accepted payment of principal or income; or
- any other indication of interest in the property or in other property of the owner in the possession, custody, or control of the holder.

A holder has been deemed to have “lost contact” with the owner on/when:

- the date a second consecutive communication sent by the holder by first class United States mail to the owner is returned to the holder undelivered by the United States Postal Service; or
- if the second communication is made later than thirty days after the first communication is

returned, the date the first communication is returned undelivered to the holder by the United States Postal Service.

For securities owners that do not receive communications from the holder by U.S. mail, the holder must attempt to confirm the owner's interest in the property by sending an email to the owner no later than two years from the date of the last indication of interest. If the owner does not respond within thirty days, the holder must send a notification by first class mail. If the mail is returned undeliverable, the holder is deemed to have lost contact with the owner on the date of the owner's last indication of interest in the property.

What does this mean to you?

Little impact is expected since HB 1929 simply codifies the previously issued Policy Guidance. Companies that have not updated reporting systems to comply with the guidance will need to ensure that the appropriate system enhancements are made. It should be noted that while the electronic outreach provision is mostly consistent with the 2016 Revised Uniform Unclaimed Property Act (RUUPA), it deviates from RUUPA by using the date of last indication of interest as the presumption of abandonment when the first class mailing is returned.

[The full text of the bill can be found here.](#)

This article is intended for educational purposes and should not be considered legal advice. For additional questions concerning this alert, contact Dana Terry at dterry@georgeson.com or 201-539-1998.

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