

## UNCLAIMED PROPERTY ALERT

### **Illinois Proposes Amendments to the Revised Uniform Unclaimed Property Act – SB 2901**

On February 14, 2018, Illinois proposed SB 2901 which would amend the recently passed Illinois Revised Uniform Unclaimed Property Act. Potential impacts of SB 2901 are outlined below.

#### **Increased dormancy periods**

If passed, dormancy periods would increase from three years back to five years for several property types including:

- State or municipal bonds, bearer bonds, or original-issue-discount bonds
- Debt of a business association
- Demand, savings, or time deposit
- Money or a credit owed to a customer as a result of a retail business transaction, other than in-store credit for returned merchandise
- Amounts owed by an insurance company on a life or endowment insurance policy or an annuity contract that has matured or terminated
- Property held by a court, including property received as proceeds of a class action
- Property held by a government or governmental subdivision, agency, or instrumentality
- Property not specified in Section 15-201 or Sections 15-202 through 15-208 (catch all provision).

Dormancy periods and triggering events for securities would remain unchanged by this bill.

#### **Statute of limitation and repose**

SB 2901 would reduce the period of limitation from ten years to five years and add a period of repose for ten years after the duty to file arose. The five year statute of limitation would apply after the holder filed a non-fraudulent report with the administrator.

### **Business to business exemption**

The bill proposes to add a business to business exemption back into Illinois law.

### **Estimation techniques**

The methodology for estimating past due amounts when the holder fails to retain the correct records required by the Illinois RUUPA would be modified to allow for the use of estimation techniques that conform to either generally accepted auditing standards or generally accepted accounting principles.

### **Third party contingency auditors**

If passed, SB 2901 would prohibit the use of third party contingency fee audit firms.

### **What does this mean to you?**

This bill proposes to reverse several provisions set forth in the Illinois RUUPA which was originally part of the budget bill passed in 2017, so it is unlikely that SB 2901 will pass as proposed.

If SB 2901 passes, many firms will need to update systems to accommodate the revised dormancy periods. If using a vendor such as Georgeson to file unclaimed property reports, holders should ensure vendor systems are updated accordingly. If systems are not already in place to maintain records for the appropriate amount of time, additional updates may be needed.

Companies that took advantage of the business to business exemption prior to the passage of the Illinois RUUPA will be allowed to claim the exemption going forward.

Georgeson will continue to monitor the progress of this bill and send future notifications upon passage.

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

For additional questions concerning this alert, contact Dana Terry at [dterry@georgeson.com](mailto:dterry@georgeson.com) or 201-539-1998.