



UNCLAIMED PROPERTY ALERT

Pennsylvania Proposes Amendments to Presumption of Abandonment Requirements for Business Associations (Securities) – SB 1058

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). On February 27, 2018, Pennsylvania proposed SB 1058 which would amend Section 1301.6 of the Pennsylvania Disposition of Abandoned and Unclaimed Property Law, consistent with the Policy Guidance previously issued. SB 1058 additionally adds an electronic outreach requirement for accounts not receiving communications by mail.

Under the current law, a business association is defined as “any corporation (other than public corporation), joint stock company, business trust, partnership or any association of two (2) or more individuals for business purposes, whether organized or operated under State or Federal law.”

If passed, SB 1058 will add 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.

Additionally, SB 1058 defines the date on which the holder has “lost contact” with the owner as:

- 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?

SB 1058 will codify the requirements in the previously issued Policy Guidance; therefore little impact is expected to the holder community. 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.

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 or 201-539-1998.