



Unclaimed Property Newsletter

WINTER 2021

Volume 19, Issue 4

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Fall Post Season Review

Joe Pollock: Director, Compliance Services

October filings this year, dare I say it, felt normal compared to last October. Over the past 18 months, we have all acclimated to hybrid work environments. Thankfully, there was no extension by the California State Controller's office to the June remittance filing this year. That was a major step in allowing everyone to get back to the routine cadence of summer due diligence mailings and October filings.

Collectively, we have endured six Unclaimed Property filing cycles (CA Remit, Fall, Spring) since COVID-19 made its impact. The managed services and operations teams have done a great job improving operations cycle over cycle. Each cycle has generated new ideas and creativity among the team to improve how we work, all with the goal of keeping our clients in compliance.

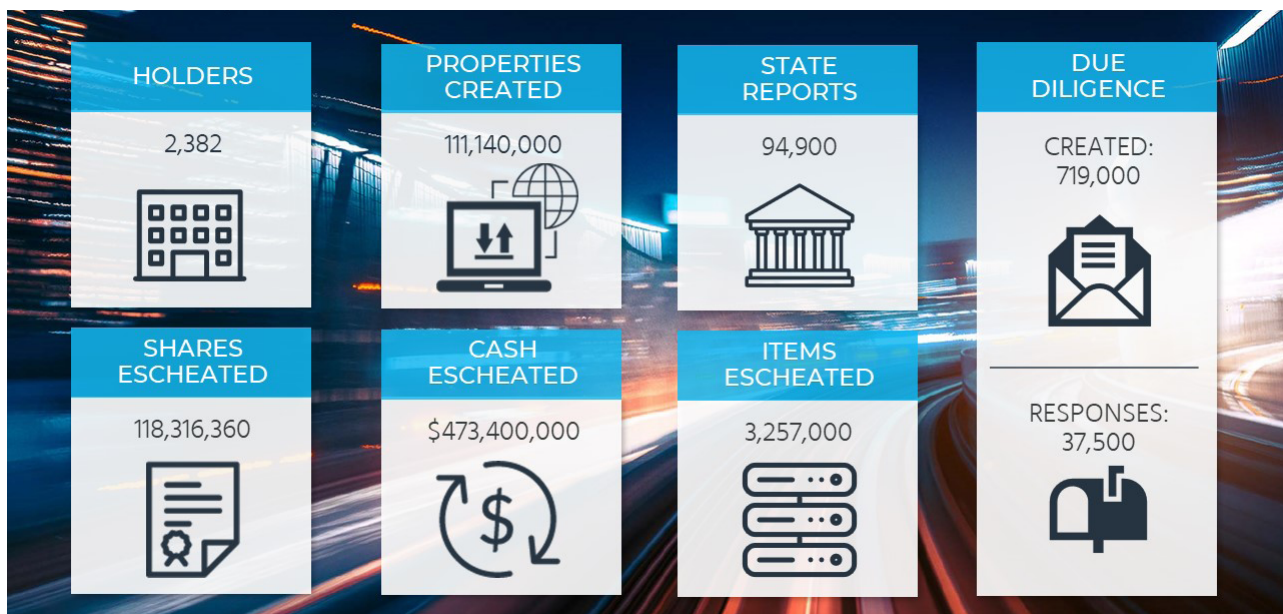
This past October, we switched to electronic payments for all states that accepted delivery via ACH or wire transfer. This was a significant departure from our previous practice.

The team is proud that we were able to work through the adjustment. We all look forward to enjoying the New Year with friends and family and hope you have a safe and happy New Year!



Joe Pollock
Director, Compliance Services

Sovos Fall 2021 Reporting Stats





Insights on Developing State Compliance Efforts

Paola Narez: Senior Consulting Manager

As unclaimed property regulations continue to change and the methods that states implement to engage holders evolve, it is important for holders to gain from the lessons learned and make adjustments to remain compliant and effectively manage unclaimed property liabilities. The following information captures just a few of the insights and lessons Sovos learned throughout the last year.

Historically, states performed audits as the predominant means to confirm that holders were in compliance with state regulations. Today, that is not the case as states are introducing various methods to engage holders which include formal audits, Voluntary Disclosure Agreements (VDA), Compliance Reviews (CR) and Compliance and Reporting Outreaches (Self-Reviews). In the last year, Sovos has seen holders receiving unclaimed property compliance and reporting outreach notices from states such as Illinois, Iowa, Louisiana, Maine, and Massachusetts. These states are contracting with third party firms like Kelmar Associates, LLC (Kelmar) and Kroll Government Services (KGS) to perform the administration of the outreach process.

Delaware has been particularly active with the introduction of the Compliance Review process. Compliance Reviews are conducted by the Delaware Department of Finance, includes a document request very similar to an audit and is limited to the most recent report year. Managing the volume of information required to be submitted and responding to the state within the allotted time can be challenging to holders. The following example demonstrates how Sovos worked with a client to successfully navigate the compliance review process:

A mid-sized company recently received a Compliance Review notice (CR) from the Delaware Department of Finance related to its 2020 filing. The CR of the unclaimed property report for the reporting cycle ending on 12/31/2020 was limited to the content of the report filed for that year and all related supporting documents.

The supporting documentation request was very extensive. It included a multitude of requested documents such as: a list of legal entities included

in the report filed by the holder in 2020, a corporate organizational chart, federal tax returns with consolidating reports, financial statements, chart of accounts, trial balances, apportionment schedules by state on a legal entity basis, outstanding check registers, aging reports, full narrative of the unclaimed property policies and procedures and other documents typically requested for an audit. The state requested the data be provided for years 2015 through 2020 within 30 days and communicated that additional items may be requested at a later date.

Due to the large number and complexity of documents requested, short turnaround to submit to the state, and lack of clarity around what constitutes “supporting documents” – the holder was overwhelmed and engaged Sovos to assist. As a result of Sovos’ involvement, Sovos was able to reduce the request and provided the information only for the years that were relevant to the unclaimed property filed in 2020. The responses were submitted to the state within the allotted period and saved the holder a significant amount of time and effort.

In addition to the introduction of the CR process, Delaware is contacting holders who completed the Secretary of State’s VDA program to verify that they remain in compliance for the three-year period following completion of the program. Per the terms of all Delaware VDA-2 agreements signed with the Secretary of State, Holders must continue to comply with Delaware annual reporting requirements and file reports to Delaware in the subsequent three report years after the execution of the VDA-2 to maintain the protections that were afforded through the VDA program – even if you determine that you have no reportable property due to Delaware. If you completed the Delaware VDA, it is extremely important to remain in compliance and demonstrate that you recognized the obligation to continue monitoring and reporting property when it comes due. In those instances where there is no property due to Delaware, the voluntary filing of a negative or zero report can prove beneficial. Once you receive a communication from the Secretary of State’s office, we highly recommend that you respond promptly. If your organization failed to remain in compliance, Sovos can help coordinate communications with the state and work with you to come back into compliance.

Conclusion

As we have seen, Delaware is placing much effort on ensuring annual reports filed by companies are complete and accurate,

and reserves the authority to conduct a compliance review if it believes there are inconsistencies in the report. Along with Delaware, we have seen states focus unclaimed property inquires (VDAs, audits, self-reviews, etc.) on holders that meet one or more of the following:

- Holders that never filed annual unclaimed property reports or not consistently filed each year.
- Holders with historical filings that contain inconsistencies on the amounts reported and/or property types.
- Holders filing unclaimed property reports related to the area of primary risk but excluding General Ledger property types (e.g., an oil and gas company including royalties checks and mineral proceeds but not accounts payable and payroll).
- Holders that have recently undergone mergers and acquisitions.

Unclaimed property compliance will continue to present its challenges to the holder community due to its volatile nature. It is important that you develop strategies to potentially reduce unclaimed property exposure, ensure policies and procedures are in place to track potential unclaimed property and comply with the applicable state reporting requirements. Sovos Consulting practice can help respond to a state or auditor’s request, expedite the audit timeline, simplify the process, educate personnel regarding unclaimed property obligations, limit organizational disruption, and minimize the assessment and potential penalties and interest.

Take Action

Learn how Sovos Unclaimed Property Consulting solutions can help you meet your compliance needs. [Talk to an expert.](#)



Paola Narez
Senior Consulting Manager



Industry Spotlight: Healthcare Organizations

Jinu Thomas: Senior Consulting Manager
Laurie Andrews, Principal Consulting Director

Every industry has its own set of unique issues relating to unclaimed property and organizations related to healthcare are no exception. Unclaimed property compliance for healthcare companies generally falls under two categories: general ledger types of unclaimed property resulting from corporate operations such as vendor payables or payroll and unclaimed property in the form of patient or insurance credits, which can be complex. We will discuss a few unique circumstances we encounter in this industry below as it relates to unclaimed property.

Patient credits and accounts receivable

Patient credits/accounts receivable is one area healthcare organizations predominantly generate unclaimed property. Specifically, credit balances that occur on an organization's books primarily are derived from overpayments, duplicate payments or unapplied payments received by the organization. Typically for accounts receivable, the relationship that creates the credit balances is from the transactions between the organization and its customers.

Accounts receivable for healthcare organizations become more challenging because there can be multiple parties involved in the transactions that create a credit balance, such as the organization itself, the patient and the insurance companies. The complexities of dealing with unclaimed property becomes a concern when a payment for the same services is made by the patient and the insurance company. A credit balance may occur because the patient or guarantor paid a higher co-pay or deductible than necessary, paid out of pocket for a service, the insurance company paid more than was contractually necessary, or multiple insurance companies

paid for the same service.

The numerous factors create a scenario where it can take an extended period to reconcile. Nevertheless, the healthcare organization has the responsibility to resolve the credit balance on its books and records, whether by refunding the owner or reporting it as unclaimed property if it remains unresolved once the prescribed dormancy period of the state expires. It should be noted that it is necessary to age the credit based on the date it occurred, not when it was reconciled.

Challenges of returning the funds back to the owner include the time that has lapsed from when the credit occurred and whether the owner information is still reliable. If the patient address has changed, it reduces that possibility of reuniting the funds with its rightful owner. If the healthcare organization is unable to locate the owner, the credit balance will need to be reported to the applicable state based on its unclaimed property laws.

The healthcare organization and insurance company relationship

The contractual relationship between the healthcare organization and insurance companies is an added layer of complexity. The mere volume of transactions that occur requires a robust billing and reconciliation process. However, errors do occur due to misinterpretation of the plan agreement, incorrect contractual adjustments or changes in plan offerings. In situations when two insurance companies pay for the same service, the plan agreements with the patient need to be reviewed to determine which insurance is primary and secondary. The determination will provide insight

into how those credits need to be resolved.

Another factor that involves healthcare organizations and insurance companies are the state recoupment laws. Recoupment laws only allow insurance companies to have a specific time period to “recoup” any payments made to the healthcare organization.

Similar to unclaimed property laws, recoupment laws vary by state. Recoupments are in effect in case the insurance company believes they made an overpayment to the healthcare organization. For example, the insurance company was not aware of a secondary insurance and duplicate payment made for the same service or billing errors. If the state has recoupment laws that limit the insurance company on how long after the occurrence they can make a recoupment claim and if the claim is not made, the insurance company cannot make a future claim against that specific occurrence. Thus, healthcare organizations can take the position that unclaimed property laws wouldn’t be applicable in such states. A complete review and determination on the applicability of the state recoupments laws over state unclaimed property laws will need to be made by legal counsel.

While the primary unclaimed property types generated for healthcare companies are a result of services to a patient, it is important to have a pulse on unclaimed property generated by corporate operations, such as vendor payment

and employee wages. A comprehensive unclaimed property process and review is necessary to ensure compliance with each state’s unclaimed property laws.



Laurie Andrews: Principal Consulting Director



Jinu Thomas Senior Consulting Manager



Efforts to Help Compliant Holders Through the Delaware VDA Program

Ann Fulmer: Director, Consulting Services

In 2012, the Delaware Secretary of State introduced a new voluntary disclosure agreement program (VDA) as a vehicle that would enable organizations to voluntarily come into compliance with the Delaware Unclaimed Property provisions.

This was separate and distinct from the program offered by the Delaware Department of Revenue. Concern regarding the completeness and accuracy of materials presented to the Delaware administrators overseeing the program

soon surfaced. In an effort to ensure that the VDA was not being used as a means to circumvent full compliance with Delaware's positions, Delaware introduced requirements that detailed the testing procedures required for VDA completion across all organizations.

As a result, the amount of time and effort needed to complete the VDA process increased considerably, even for those companies that were in full compliance for the entire scope of the VDA review period. Today, the Delaware Secretary of State recognizes the burden created by the VDA requirements for holders that have good unclaimed property procedures and have historically tracked, monitored and reported unclaimed property and is actively working to provide solutions that can be utilized by fully compliant organizations to demonstrate their compliance efforts.

The key to demonstrating compliance lies in the steps employed by the organization to actively identify and report all property types with potential exposure, for all entities that sit under the parent organization. It's also important to be able to demonstrate the steps that were taken to ensure that exposures related to acquired entities were properly captured in organization compliance efforts. Having detailed information and data dating back to the beginning of the period under review is also very valuable. If an organization can prove its compliance efforts, the amount of time and work needed to complete the VDA, coupled with a signed VDA-2 agreement, can be significantly reduced.

The first indication of being able to take advantage of a truncated review process sits with an organization's historical unclaimed property reporting. A matrix demonstrating previously reported properties should be organized by transaction year of reported properties, property type and escheatment state. The goal is to demonstrate strong and consistent reporting for all property types expected to be seen from an organization doing business in a particular industry.

Historic and current policies and procedures also provide insight into the compliance efforts that have been recognized by the organization throughout the years. Being able to point to historical policies and procedures for the entire review period further supports the argument that the organization has been in full compliance.

Attention should also be given to the actions taken to ensure that property related to acquired companies was properly recognized and reported. Being able to point to specific instances that demonstrate the reporting of property

inherited from an acquired company further supports the completeness of an organization's compliance efforts.

If the organization was audited in the past, completed VDAs for other states or employed a third-party to conduct a risk assessment, results from those work efforts should also be shared with the VDA Administrator to show historical compliance efforts. Amounts reported through those efforts can be used to support the thoroughness of the review procedures engaged throughout the years.

Finally, completeness of historical practices can be supported through a reconciliation of cash accounts that issue disbursements appearing on the trial balances to the cash accounts from which the reported transactions originated. Being able to verify that all disbursement accounts appearing on the trial balance were included in the review for escheatable transactions throughout the period under review further solidifies the position that the organization is in full compliance.

In the event that your organization receives an invitation to participate in the DE VDA program, remember that you will be referred for audit if you do not enroll in the VDA. If your organization has a strong compliance history, efforts should be taken to demonstrate and document the steps that were taken along the way. The investment of time to pull the documents described above can result in a major reduction in the overall amount of time needed to complete the DE VDA process. Sovos Consulting is at the ready to provide the guidance needed to help you navigate the complexities of the DE VDA and can provide your organization with significant savings.



Ann Fulmer
Director, Consulting Services



Cryptocurrency is Subject to Unclaimed Property Too?

Paola Narez, Senior Consulting Manager
Laurie Andrews, Principal Consulting Director

It seems like you can't go a day without hearing something about cryptocurrency or the associated terms like virtual currencies, bitcoin and fiat currencies. Since the release of Bitcoin in 2009, thousands of cryptocurrencies have emerged, with Ethereum being another prominent name. The current cryptocurrency market is estimated to be worth more than \$3 trillion and is expected to keep growing. Needless to say, the adoption and use of cryptocurrency by businesses and organizations will inevitably lead to large sums of unclaimed digital assets. So, it begs the question: what are states doing to adjust to this emerging market and what are they doing to enable holders to report unclaimed cryptocurrencies?

Before discussing the topic, let's first talk about what cryptocurrency is and why it matters. Paul Vigna at the Wall Street Journal recently released a great article, ["What is Cryptocurrency, and How Does It Work"](#) that explains it

quite well. He says, "the primary reason it matters is this: Bitcoin allows any two people anywhere in the world with an internet connection to make a transfer of value in a few minutes without a middle man." He goes on to say that cryptocurrency was first heard of back in 2008, promising an alternative to the existing financial system and that "crypto is such a new area, and has largely been unregulated or only lightly regulated..."

In regards to unclaimed property regulations of digital currency, we are seeing more and more states develop administrative guidance or even pass laws related to the escheatment of cryptocurrency. The 2016 Revised Uniform Unclaimed Property Act (RUUPA), which was developed and proposed by the Uniform Law Commission (ULC), introduced virtual currency in its definition of property subject to unclaimed property laws. It is important to note that the

ULC can only propose legislation; the legislation becomes effective only after a state adopts it. In other words, each state has a choice of whether to adopt the laws as drafted by the ULC. This is important when we talk about the impacts of RUUPA, specifically as it relates to the definition of virtual currency and adoption by the states. Per RUUPA, virtual currency is defined as, “a digital representation of value used as a medium of exchange, unit of account, or store of value, which does not have legal tender status recognized by the United States.” To date, several states have adopted RUUPA (or some form of it) and officially recognize property held in virtual currency as potential unclaimed property due to the states. Absent official adoption via state statute, other states are communicating guidance for reporting virtual currency via information provided on their websites. The classification of digital currency varies by state; a few states have adopted virtual currency reporting codes, “VC codes,” including VC01, virtual currency in U.S. dollars for liquidated virtual wallets, and VC02, virtual currency in native currency units (i.e., Bitcoin, Ethereum, Litecoin, Filecoin, etc). States that have not introduced VC codes default to the code “MS17,” which represents a catch-all for miscellaneous intangible property.

We should also take a moment to recognize that cryptocurrency is just that - a currency. In addition to being held in a virtual wallet, it can be invested in a variety of different products such as IRAs, UGMA/UTMA and 529 accounts, which could also affect the analysis and reporting of cryptocurrency.

Currently, no state can accept cryptocurrency in its native form, but some jurisdictions such as the District of Columbia and New York are exploring setting up virtual wallets so that cryptocurrency can be escheated in its native form. A number of jurisdictions encourage the liquidation of virtual currency, but only a few provide the statutory authority requiring a holder to do so. If the state does not statutorily require liquidation, there is a risk to the holder who liquidates and remits the funds to the state, as the value of the cryptocurrency can fluctuate significantly, which can lead to claims by the apparent owner for subsequent gains in the cryptocurrency value. If a jurisdiction recommends remitting the liquidated value of cryptocurrency, Sovos recommends consulting with your corporate attorney and/or outside legal counsel prior to liquidating and reporting as directed, evaluating all potential legal implications.

Over the past decade, we have seen the explosion of cryptocurrency and the adoption by businesses, organizations, and even entire nations (e.g., El Salvador adopting Bitcoin as an official legal tender). The change

has been rather abrupt, so it is no surprise that states are lagging in their ability to establish the appropriate regulatory framework to manage unclaimed property of digital currencies. Nonetheless, we have seen some development by numerous states in this area and can only expect it to evolve quickly. For example, Delaware recently passed Senate Bill 103 (SB 103), which included very detailed reporting requirements for virtual currency and defines the time period in which liquidation must occur. Consequently, it is critical that holders continually track regulatory changes so they can be well positioned to stay in compliance when states audit them.

With so many nuances that are unique to this industry, it is important that consultants and advisers understand the challenges and are experienced in assisting companies of varying profile reach compliance. Look no further than Sovos’ Consulting Team to assist you in your compliance pursuit.



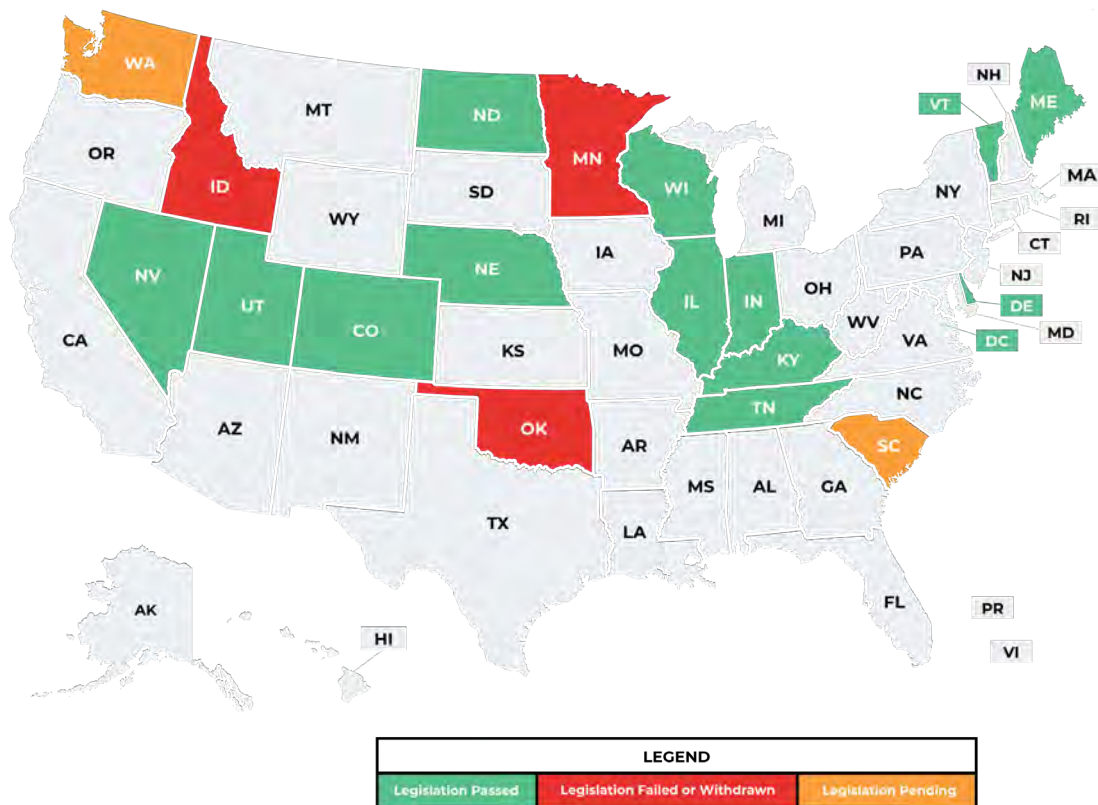
Laurie Andrews: Principal Consulting Director



Paola Narez Senior Consulting Manager

Revised Uniform Unclaimed Property Act (RUUPA) Inspired Legislation by State

Sovos Regulatory Analysis Team



Wisconsin AB 325

Enacted November 5, 2021, effective November 7, 2021. This bill implements RUUPA with minor state-specific revisions, in Wisconsin. Key features include

- Provides an exemption for all gift cards and stored-value cards as it excludes both from the definition of Property.
- It defines Virtual Currency and indicates that it is included in the definition of Property, although has no provision addressing its dormancy and reporting other than the standard catch-all provision.
- Retains Wisconsin's business-to-business exemption in Section 177.015 (2) by providing that the statute does not apply to "[a]ny payment or credit show on the books and records of a business association owed to another business association in the ordinary course of business."
- Deviates from RUUPA in using the date of required minimum distribution to avoid a tax penalty as the trigger for when a tax deferred retirement account is presumed abandoned during the owner's lifetime, as opposed to using age.
- Allows accounts held in a financial organization to be linked for purposes of determining contact; and recognizes the non-return of first-class U.S. mail sent by a financial organization to constitute an indication of the apparent owner's interest in an account.

Disclaimer: The above graphic depicts states that have proposed, passed, failed, or withdrawn Revised Uniform Unclaimed Property Act (RUUPA) inspired legislation as of December 28, 2021. The graphic does not constitute legal opinion or legal advice, and should not be relied upon without first verifying the same with your internal or external counsel. ©2021 Sovos



Unclaimed Property Software Updates

Casey Ziegler: Associate Product Owner

Below is a high level list of updates on some of the recent improvements made to our unclaimed property software.

- Activity filters were enhanced to allow for multiple statuses to be searched at once. Assigned Activities page updated to show activities across users and includes Assigned By and Assigned To filters
- Activities can be sorted by clicking column headers. New Status column combines status and due date and sorts by highest priority first.
- State Report History page updated to show the sum of records that were excluded from the state report
- The Excluded Records Report will now include a Report Year column to help provide clarity around properties that may not meet dormancy.
- The Excluded Records Report will continue to generate by default but can now be omitted from the state report package during state report generation if desired.
- Activities can now be exported from the Assigned Activities page for review offline. This report is available in the upper right hand corner of the Assigned Activities page and will pull all activities included in the current filter on that page.
- New QR Code History page will show when records were updated from the QR Code Scan page. This page will include the user information, date, update type, and number of records affected.

Compliance updates across systems for Spring 2022 reporting including:

- Nebraska all property types: Due Diligence threshold reduced to \$0 and dormancy changes
- Illinois Bank & Non-Bank Money Orders: dormancy changes for money orders
- Illinois Retirement: 70.5 changes to 72 years of age
- Texas General Ledger: Date of Last Contact is not required but encouraged
- Texas Life Insurance State Deadline: State report deadline change from 11/1 to 7/1
- Indiana Securities: Trigger date changes
- Delaware Retirement: Dormancy change if knowledge of death is present
- Vermont all property types: dormancy changes
- Vermont IRA, HAS, ESA, and 529: Dormancy changes if Date of Death is present and trigger date changes

Miscellaneous bug fixes:

- Fix for Additional Owners with Unknown or Foreign State values to populate the state field as blank on the NAUPA file rather than ??
- Fix for email notifications from ent.uphelp@sovos.com to trigger for user security updates and state report summaries.
- Fix for including letters to additional owners to show the amount on each owner's letter.
- Fix for standard Due Diligence letter outputs to correctly use a page break between properties.
- Fix for Wyoming Securities to properly displaying shares on the NAUPA file
- Fix for Virginia state report packages to omit the PDF Summary report
- Fix for Washington cover sheet to properly show the distinction between CK04 and CK06 property counts when using deduction code "Other".
- Fix for West Virginia tangible records to properly display Lease Expired Date and Opened Date in the NAUPA file.

Legislative Update

For the Period
September 15 - December 27, 2021

Compiled by the Sovos Regulatory
Analysis Team



DEFINITIONS:

Introduced – used for Legislation

Passed – used for Legislation

Proposed – used for Regulations

Adopted – used for Regulations

Prefiled – drafted bills and resolutions to be numbered, printed, made available for public review, and scheduled for hearing before the actual start of session

Enacted Legislation

California

CA A 293

Preneed Funeral Arrangements

Introduced 1/21/2021; enacted 10/5/2021 Signed by Governor. Permits the corpus of the trust and any income accrued in the trust, including interest, dividends, and capital gains, to escheat to the state, in accordance with the Unclaimed Property Law, if there is no contact for more than 3 years after the funds became payable and distributable to the funeral establishment or the trustor. Provides that the holder for purposes of these funds is the funeral establishment and not the trustee (bank), thus exempting banks from reporting pre-need funeral accounts unless or until it receives notice from the funeral establishment that it is dissolving.

District of Columbia

DC B 285

Fiscal Year 2022 Budget Support

Introduced 5/27/2021; enacted 11/13/2021 Passed

Congressional Review Period.

Enacts the Revised Uniform Unclaimed Property Act (2016), with minor District-specific amendments, in the District of Columbia. Procedurally, RUUPA is included within the District's budget for the 2022 Fiscal Year. Key features include

- It does not include an exemption for in store credit for returned merchandise or gift cards. Gift Cards are presumed abandoned 5 years after the later of date of purchase or most recent use, and Stored Value Cards are presumed abandoned 3 years after the latest of 12/31 of the year it was issued or funds were last added, or date of last contact.
- It includes erroneous language in the demand, savings and time deposit provision that references only maturity as the trigger for dormancy.
- It includes a very short 60 day holding period after

which the Administrator is authorized to sell escheated securities.

- It defines Virtual Currency and indicates that it is included in the definition of Property, although has no provision addressing its dormancy and reporting other than the standard catch-all provision.
- Unlike prior DC law, it does not explicitly include linking language to establish that contact on one account constitutes an indication of an owner's interest in all accounts maintained by a financial institution for the same owner.

DC B 484

Fiscal Year 2022 Budget Support

Introduced 11/1/2021; enacted 12/13/2021 Signed by Mayor.

Temporary enactment of the Revised Uniform Unclaimed Property Act (2016) in the District of Columbia pending expiration of the congressional review period necessary for enactment of the permanent law, DC B 285, which was timely enacted. All provisions mirror those of DB B 285. This was necessitated by the fact that RUUPA was embedded within the District's budget bill.

North Carolina

NC S 542

State Health Plan Fraud And Property Finders Standards

Introduced 4/6/2021; enacted 9/16/2021 Signed by Governor.

Revises standards for property finders. Prohibits agreements between property finders and any individual who acts as an agent for, serves as legal counsel for, or conducts business in any contractual capacity with the property finder as personal representative of the owner's estate. Requires property finders be licensed as private investigator in North Carolina.

Wisconsin

WI A 325

Revised Uniform Unclaimed Property Act

Introduced 5/13/2021; enacted 11/5/2021 Signed by Governor.

Enacts the Revised Uniform Unclaimed Property Act (2016), with minor state-specific revisions, in Wisconsin. Key features include:

- Provides an exemption for all gift cards and stored-value cards as it excludes both from the definition of Property.
- It defines Virtual Currency and indicates that it is included in the definition of Property, although has no provision addressing its dormancy and reporting other than the standard catch-all provision.
- Retains Wisconsin's business-to-business exemption in Section 177.015 (2) by providing that the statute does not apply to "[a]ny payment or credit show on the books and records of a business association owed to another business association in the ordinary course of business.
- Deviates from RUUPA in using the date of required minimum distribution to avoid a tax penalty as the trigger for when a tax deferred retirement account is presumed abandoned during the owner's lifetime, as opposed to using age.
- Allows accounts held in a financial organization to be linked for purposes of determining contact; and recognizes the non-return of first-class U.S. mail sent by a financial organization to constitute an indication of the apparent owner's interest in an account.

Introduced Legislation

Illinois

IL H 4278

Revised Uniform Unclaimed Property Act

Introduced 12/16/2021; Pending in House.

Amends the Revised Uniform Unclaimed Property Act; provides that an heir or agent who Files an unclaimed property claim in which the decedent's property does not exceed \$250 may submit an affidavit attesting to the heir's or agent's capacity to claim in lieu of submitting a certified copy to verify a claim; provides that, in response to the filing of an unclaimed property claim for a decedent's property not exceeding \$250.

Maryland

MD S 60

Abandoned Property

Prefiled 12/23/2021; Pending in State Finance Committee.

Relates to financial institutions; relates to abandoned property; relates to notice and records.

Maine

ME H 1308

Technical Changes to Maine Tax Laws

Prefiled 12/02/2021; Pending in Joint Committee on Taxation.

Makes technical changes to Maine tax Laws. Repeals provisions of Maine law that allowed Maine Revenue Services to share taxpayer information with the Treasurer for purposes of administering the unclaimed property act.

Washington

WA S 5531

Uniform Unclaimed Property Act

Introduced 12/10/2021; Pending in Senate.

Replaces current unclaimed property law with the provisions of the Revised Uniform Unclaimed Property Act (2016), with minor state-specific amendments. If enacted, RUUPA would become effective January 1, 2023. Key features include:

- Exempts gift-cards if they are exchangeable only for consumer goods and services.
- It includes erroneous language in the demand, savings and time deposit provision that references only maturity as the trigger for dormancy.

- Retains reference to age 70.5 in the tax-deferred retirement account provision.
- Requires securities in the custody of the state to be sold "as soon as practicable," without a make-whole provision.
- Carries a 6 year record retention period and 6 year transition provision upon the effective date of the Act.
- It defines Virtual Currency and indicates that it is included in the definition of Property, although has no provision addressing its dormancy and reporting other than the standard catch-all provision.
- Provides a 1 year dormancy period for payroll cards separate from the deposit account provision.
- Statute of limitations is 6 years from the filing of a non-fraudulent report, and 10 years after the date the duty arose, regardless of such filings.

Other Activity

Ohio

OH H 348

Unclaimed Funds Law

Introduced 6/10/2021; Amended 12/8/2021; Pending in Senate Finance Committee.

As amended, provides the following changes to Ohio unclaimed property law:

- Eliminates the 90/10 rule allowing holders to maintain 90% of unclaimed funds in an account for the benefit of the state.
- Creates a \$25.00 de minimis exemption for unclaimed property, in aggregate by owner.
- Recognizes recurring electronic debit or credit transfers as owner-initiated activity, except fees charged by the holder or the automatic re-investment of dividends or interest.
- Defines virtual currency, game related digital content, gift card, and loyalty card.
- Provides a 5 year dormancy period for virtual currency

and requires liquidation prior to remittance, with statement that owners shall have no recourse against the holder or the state for any losses as a result.

- Requires consent to renewal of a certificate of deposit no less often than every 5 years, regardless of the term of the CD

Pennsylvania

PA H 1534

Payments To Family and Funeral Directors

Introduced 6/3/2021; Amended 6/22/2021; Pending in House Appropriations Committee.

Allows the Commonwealth to make payment of unclaimed property of \$11,000 or less in its custody, after the death of an individual, directly to the decedent's surviving spouse, child, mother or father, sister or brother or grandchild, in order of preference.