

#26

12/12/66

First Supplement to Memorandum 67-3

Subject: Study 26 - Escheat

Attached are various materials concerning the New York Abandoned Property Law. We plan to go through this material at the January meeting so that we can be sure that California is not failing to escheat any significant amounts of unclaimed property.

The pink pages attached to this supplement contain information on the source of receipts under the New York law. The yellow pages (which are referred to in the pink pages) contain the text of the pertinent sections of the New York law. The blue pages contain a letter from the New York Department of Audit and Control. The pertinent information contained in this letter is set out in the pink pages attached.

We have requested that the office of the California State Controller provide us with information concerning the receipts from the various categories listed in the New York information to the extent that such information is available for California. Also we have requested the California State Controller to advise us of any categories of unclaimed property that New York escheats but that California does not. The response we received from the office of the State Controller is attached (gold pages).

Respectfully submitted,

John H. DeMouilly
Executive Secretary

NEW YORK ABANDONED PROPERTY FUND RECEIPTS
(July 1, 1965 to June 30, 1966)

Source	Statute	Amount
Banking Organizations (See pp. 1-2)	Art. III	\$2,806,146.46
Utility Corporations (See p. 3) ¹	IV	159,688.53
Corps. & Fiduciaries (See pp. 4-5)	V	355,920.42
Brokers & Dealers (See pp. 6-7)	V-A	1,238,797.33
State Court Deposits (See p. 8)	VI	1,255,481.14
Unknown Distributees (See p. 8)	VI	361,100.18
Insurance Companies (See p. 9)	VII	275,849.92
Condemnation Awards (See p. 10)	X	154,832.48
Miscellaneous (See Secs. 1307, p. 12; 1308, p. 13)	XIII	210,527.86
Provident Loan (See p. 11)	Sec. 1300	48,526.59
Pledgees (See p. 11)	1301	39,706.22
State Institutions (See p. 12)	1304	18,811.62
Public Welfare Deposits (See p. 12)	1305	3,149.30
Commissioner of Motor Vehicles (See p. 12)	1306	---
Money Orders and Travelers Checks (See p. 13) ²	1309	1,180,243.48
Miscellaneous (See p. 14)	1310	3,970.90
New York Telephone Company (See p. 14)	1311	371,948.44
Security Liquidation Account ³		1,260,042.75
Interest on Bank Deposits ⁴	State Fin. Law	5,650.70
Total		<u>\$9,750,394.32</u>

¹ Abandoned property receipts from utility corporations do not represent a significant portion of total abandoned property receipts. During the last completed "abandoned property" year, that is, the twelve months ended June 30, 1966, receipts from utilities constituted only 1.63% of total abandoned property receipts. The previous year was also 1.63%. In the four years cited in your letter, namely 1961-62 through 1964-65, receipts from utility corporations presented in the same chronological order were \$70,620.00, \$87,900.00, \$107,138.00 and \$131,963.00.

² The category Money Orders & Travelers Checks pertains to amounts held or owing for the payment of such instruments by non-banking organizations.

³ The category Security Liquidation Account is an account into which the net proceeds from the sale of all abandoned securities received by this Department are deposited. About 70% is derived from the sale of abandoned securities received from brokers and dealers. Most of the remainder is derived from the sale of securities received from corporations.

⁴ Interest on Bank Deposits represents interest received on the investment of abandoned property.

Note: Personal service costs of administering our abandoned property program for the 1966-67 fiscal year will be approximately \$271,000.00. Employee fringe benefits such as retirement and social security are included in this figure. In addition to an office staff comprised of 29 employees engaging either full or part-time in the administration of our abandoned property law, there is a field force of auditors who make on-site examinations of the records of organizations subject to our Abandoned Property Law.

Source of information: Letter - New York Department of Audit and Control,
November 22, 1966

NEW YORK ABANDONED PROPERTY FUND*

June 1, 1944 to June 30, 1966

-Receipts- From:	July 1, 1965 to June 30, 1966	June 1, 1944 to June 30, 1966
Banking Organizations (See pages 1-2)	2,806,146.46	43,787,328.86
Utility Corporations (See page 3)	159,688.53	1,243,795.68
Corporations & Fiduciaries (See pages 4-5)	355,920.42	2,152,801.83
Brokers & Dealers (See pages 6-7)	1,238,797.33	9,631,543.20
State Court Deposits (See page 8)	1,255,481.14	20,232,593.10
Unknown Distributees (See page 8)	361,100.18	4,348,986.92
Insurance Companies (See page 9)	275,849.92	6,107,058.71
Condemnation Awards (See page 10)	154,832.48	2,575,417.51
Miscellaneous (See Secs. 1307, page 12; 1308, page 13)	210,527.86	721,614.12
Provident Loan (See page 11)	48,526.59	689,613.44
Pledgees (See page 11)	39,706.22	1,319,505.54
State Institutions (See page 12)	18,811.62	633,290.33
Public Welfare Deposits (See page 12)	3,149.30	50,983.34
Commissioner of Motor Vehicles (See page 12)	---	51,069.37
Money Orders & Travelers Checks (See page 13)	1,180,243.48	9,499,587.95
Miscellaneous (See page 14)	3,970.90	451,744.89
New York Telephone Co. (See page 14)	371,948.44	2,668,903.66
Security Liquidation Account	1,260,042.75	2,199,779.83
Interest on Bank Deposits	5,650.70	176,188.96
	<hr/> 9,750,394.32	<hr/> 108,541,807.24

* Not included are \$371,201.32 from U.S. Court Funds, \$9,790.85 from Foreign Money Orders, \$59,326.81 from Liquidated Corporations, and \$50,956.38 from Interest on Redemption (US Bills).

ARTICLE III—UNCLAIMED PROPERTY HELD OR OWING
BY BANKING ORGANIZATIONS

§ 300. Unclaimed property held or owing by banking organizations

1. The following unclaimed property held or owing by banking organizations shall be deemed abandoned property:

(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 ten 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 ten 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 ten years, or

(iii) any such amount with respect to which the banking organization has on file written evidence received within ten 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 amount held or owing by the banking organization as agent, or as trustee of an express trust (active or passive), for the purpose of making payment to holders of, or in respect of, stocks, bonds or other securities of a governmental or other public issuer, or of a corporation, association or joint stock company, other than a corporation, association or joint stock company which shall have discontinued the conduct of its business, or the corporate existence of which shall have terminated, without the right to receive such amount having passed to a successor or successors.

(b) Any amounts, together with all accumulations of interest or other increment thereon, held or owing by a banking organization for the payment of an interest in a bond and mortgage apportioned or transferred by it pursuant to subdivision seven of former section one hundred eighty-eight of the banking law as it existed prior to July first, nineteen hundred thirty-seven, which shall have remained unclaimed by the person or persons appearing to be entitled thereto for ten years after the full and final liquidation of such mortgage, excepting

(i) any such amount which has been reduced by payment to the person or persons appearing to be entitled thereto within ten years, or

(ii) any such amount which is represented by a certificate of share ownership not in the possession of the banking organization, which certificate has been presented for transfer within ten years, or

(iii) any such amount with respect to which the banking organization has on file written evidence received within ten years that the person or persons appearing to be entitled to such amount had knowledge thereof.

(c) Any amount held or owing by a banking organization for the payment of a negotiable instrument under article three of the uniform commercial code or a certified check whether negotiable or not, on which such organization is directly liable, which instrument shall have been outstanding for more than ten years from the date it was payable or from the date of its issuance, if payable on demand; provided, however, the provisions of this paragraph (c) shall not apply

(i) to any negotiable instrument payable outside the continental limits of the United States, or

(ii) to any instrument payable in currency other than United States currency, or

(iii) to any negotiable instrument issued to pay out any amount held or owing by the banking organization as agent, or as trustee of an express trust (active or passive), for the purpose of making payment to holders of, or in respect of, stocks, bonds or other securities of a governmental or other public issuer, or of a corporation, association or joint stock company, other than a corporation, association or joint stock company which shall have discontinued the conduct of its business, or the corporate existence of which shall have terminated, without the right to receive such amount having passed to a successor or successors.

(d) After the expiration of ten years from the opening of any vault, safe deposit box or other receptacle by a banking organization pursuant to the provisions of the banking law, any surplus amounts arising from a sale by such banking organization of the contents of such vault, safe deposit box or other receptacle pursuant to the provisions of the banking law, the balance remaining of any United States coin or currency among the contents of such vault, safe deposit box or other receptacle and the balance remaining of the proceeds of the principal of or interest or dividends on any securities among the contents of such vault, safe deposit box or other receptacle.

(e) Any amount representing a dividend or other payment received after June thirtieth, nineteen hundred forty, by a banking organization or its nominee as the record holder of any stock, bond, or other security of any corporation, association or joint stock company, to which amount an unknown person (except a person entitled to such dividend or other payment upon the surrender of other outstanding securities) is entitled and which shall have remained unclaimed by the person entitled thereto for five years after receipt thereof by such banking organization or its nominee.

(f) Any amount which, on or after January first, nineteen hundred thirty-seven, shall have become payable by a banking organization (other than a foreign banking corporation) to a holder or owner of its capital stock, and which shall have remained unclaimed for ten years by the person or persons appearing to be entitled thereto.

(g) Lost property or instruments as defined in section two hundred fifty-one of the personal property law which shall have been held by a safe deposit company or bank for fifteen years pursuant to the provisions of section two hundred fifty-six of the personal property law.

2. Any abandoned property held or owing by a banking organization to which the right to receive the same is established to the satisfaction of such banking organization shall cease to be deemed abandoned.

3. As used in sections three hundred to three hundred three inclusive of this article, the term "banking organizations" shall be deemed to include the New York agency or agencies of all foreign banking corporations licensed to do business in this state pursuant to article five of the banking law, and the word "deposits" shall be deemed to include credit

balances maintained by such agencies for the account of others in accordance with the provisions of section two hundred two-a of the banking law. As amended L.1945, c. 825, § 1; L.1945, c. 861, § 2, L. 1946, c. 190, § 1; L. 1946, cc. 907, 908, 920; L.1947, c. 121; L.1952, c. 62; L.1952, c. 432, § 3; L.1953, c. 462, § 2; L.1958, c. 860, § 2, eff. Sept. 1, 1958; L.1958, c. 879, § 18; L.1961, c.932; L.1962, c. 552, § 1, eff. Sept. 27, 1964.

**ARTICLE IV—UNCLAIMED DEPOSITS AND REFUNDS FOR
UTILITY SERVICES**

§ 400. Unclaimed deposits and refunds for utility services

1. The following unclaimed moneys held or owing by a gas corporation, an electric corporation, a gas and electric corporation, a district steam corporation, a telegraph corporation, a telephone corporation, a telegraph and telephone corporation, or a waterworks corporation, shall be deemed abandoned property:

(a) Any deposit made by a consumer or subscriber with such a corporation to secure the payment for utility services furnished by such corporation, or the amount of such deposit after deducting any sums due to such corporation by such consumer or subscriber, together with any interest due thereon, which shall have remained unclaimed by the person or persons appearing to be entitled thereto for five years after the termination of the utility services to secure the payment of which such deposit was made, or, if during such five year period utility services are furnished by such corporation to such consumer or subscriber and such deposit is held by such corporation to secure payment therefor, for five years after the termination of such utility services.

(b) Any amount paid by a consumer or subscriber to such a corporation in advance or in anticipation of utility services furnished or to be furnished by such corporation which in fact is not furnished, after deducting any sums due to such corporation by such consumer or subscriber for utility services in fact furnished, which shall have remained unclaimed by the person or persons appearing to be entitled thereto for five years after the termination of the utility services for which such amount was paid in advance or in anticipation, or, if during such period utility services are furnished by such corporation to such consumer or subscriber and such amount is applied to the payment in advance or in anticipation of such utility services, for five years after the termination of such utility services.

(c) The amount of any refund of excess or increased rates or charges heretofore or hereafter collected by any such corporation for utility services lawfully furnished by such corporation which has been or shall hereafter lawfully be ordered refunded to a consumer or other person or persons entitled thereto, together with any interest due thereon, less any lawful deductions, which shall have remained unclaimed by the person or persons entitled thereto for ~~five~~^{five} years from the date it became payable in accordance with the final determination or order providing for such refund.

2. Any such abandoned property held or owing by such a corporation to which the right to receive the same is established to the satisfaction of such corporation shall cease to be deemed abandoned. As amended L.1944, c. 498, § 3, eff. June 1, 1944.

ARTICLE V—UNCLAIMED PROPERTY HELD OR OWING FOR
PAYMENT TO SECURITY HOLDERS [NEW]

§ 500. Definitions

When used in this article, the following terms shall have the following meanings:

1. "Corporation" shall mean any corporation (other than a public corporation), joint stock company, association of two or more individuals, committee, or business trust.

2. "Security" shall mean:

(a) Any instrument issued by a corporation to evidence an obligation to make any payment of the principal amount of a debt or of any increment due or to become due thereon; or

(b) Any instrument issued by a corporation to evidence a proprietary interest therein except

(i) A policy of insurance issued by a mutual insurance corporation, or

(ii) A share issued by a savings and loan association, a building and loan association, or a credit union.

3. "Domestic corporation" shall mean any corporation organized under the laws of this state or under the laws of this state and one or more other states or foreign countries, but shall not mean a banking organization as defined in this chapter.

4. "Foreign corporation" shall mean any corporation organized under the laws of a state other than New York and doing business in this state but shall not mean a banking organization as defined in this chapter.

5. "Fiduciary" shall mean any individual or any domestic or foreign corporation holding a security for a resident or receiving, as agent of a corporation or as holder of a security, any amount due or to become due a resident as the holder or owner of a security but shall not mean any individual or corporation so acting by direction of a court in any case where such court has not directed a distribution of such amount or security.

6. "Resident" shall mean:

(a) An individual domiciled in this state;

(b) A domestic corporation;

(c) A banking organization, as defined in section one hundred three of this chapter; and

(d) This state and any public corporation organized under its laws.

7. "Amount" shall include any dividend, profit or other distribution, paid in stock or cash, and any interest or other payment on principal. Added L.1953, c. 462, § 1; amended L.1963, c. 815, § 1; L.1965, c. 539, §§ 1, 2, eff. June 28, 1965.

§ 501. Unclaimed property; when deemed abandoned

1. Any amount which, on or after January first, nineteen hundred forty-seven, shall have become payable by a domestic or foreign corporation or by a fiduciary to a resident shall be deemed abandoned property when the security with respect to which such amount is payable has been deemed abandoned or when such amount:

(a) Is payable to such resident as the holder or owner of a security; and

(b) Has, on the thirty-first day of December in any year, remained unpaid to such resident for ten years.

2. Any security issued by a domestic or foreign corporation and held for a resident by such issuing corporation or by a fiduciary, other than a broker or dealer as defined in section five hundred ten of this chapter, shall be deemed to be abandoned property where, for ten successive years:

(a) All amounts, if any, payable thereon or with respect thereto have remained unpaid to such resident, and

(b) No written communication has been received from such resident by the holder, and

(c) Where the security is held by the issuing corporation, all regular corporate notices required by law to be given to security holders which have been sent, via first class mail, to such resident at his last known address have been returned to the corporation by the postal authorities for inability to locate such resident.

3. For the purposes of this section the holder or owner of a security shall be presumed to be a resident when the records of the corporation or fiduciary indicate that the last known address of such holder or owner is located within this state or, if the security was issued by a domestic corporation, when such records do not indicate a last known address outside this state or when the address of such holder or owner is unknown to such corporation or fiduciary.

4. Any amount or security with respect to which such domestic or foreign corporation or fiduciary has on file written evidence received within ten years that the person entitled to such amount or for whom such security is held had knowledge thereof shall not be deemed abandoned property. Added L. 1953, c. 462, § 1; amended L. 1963, c. 815, § 2; L. 1965, c. 539, § 3, eff. June 28, 1965.

**ARTICLE V-A—UNCLAIMED PROPERTY HELD
BY BROKERS [NEW]**

§ 510. Definitions

When used in this article, the following items shall have the following meanings:

1. "Corporation" shall include any joint stock company, corporation, association of two or more individuals, committee, public authority, or business trust.

2. "Public issuer" shall include the United States, the several states and territories thereof, political subdivisions and municipal corporations within such states and territories, foreign countries and political subdivisions and municipal corporations within such foreign countries.

3. "Security" shall include:

(a) Any instrument issued by a corporation or public issuer to evidence an obligation to make any payment of the principal amount of a debt or of any increment due or to become due thereon, or

(b) Any instrument issued by a corporation to evidence a proprietary interest therein except:

(i) A policy of insurance issued by a mutual insurance corporation, or

(ii) A share issued by a savings and loan association, a building and loan association, or a credit union.

4. "Broker" shall include any individual or corporation engaging in this state in the purchase, sale or exchange of securities for or on behalf of any customer but shall not include a banking organization as defined in section one hundred three of this chapter.

5. "Dealer" shall include any individual or corporation engaging in this state as a regular business in the purchase, sale or exchange of securities for his or its own account, through a broker or otherwise, but shall not include a banking organization as defined in section one hundred three of this chapter.

6. (a) "Customer" shall include any individual or corporation entering into a contract in this state with a broker or dealer by which such broker or dealer agrees to effect the purchase, sale, or exchange, or to keep custody of any security for or on behalf of such individual or corporation. The term "customer" shall also include any individual or corporation entering into a contract in this state with a broker or dealer whereby such broker or dealer for his own account buys from or sells to such individual or corporation, any security.

(b) If on the books of account located at an office in this state of a broker or dealer there is indicated a balance to the credit of an individual or corporation it shall be presumed unless established to the contrary that such balance arose from a contract as described in the preceding paragraph.

7. "Amount" shall include any dividend, profit or other distribution, paid in stock or cash, and any interest or other payment on principal. Added L.1952, c. 461, § 1; amended L.1965, c. 539, § 4, eff. June 28, 1965.

§ 511. Unclaimed property; when deemed abandoned

The following unclaimed property shall be deemed abandoned property:

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 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.

2. Any amount (a) received in this state after June thirtieth, nineteen hundred forty-six due from a broker or dealer or nominee of such broker or dealer to a customer which has remained unpaid to the customer for five years after the date of the last entry, other than the receipt of dividends or interest in the account of such broker, dealer or nominee with such customer, or (b) payable on or with respect to a security which has been deemed abandoned.

3. Any security held in this state by a broker or dealer, or nominee of such broker or dealer, as the holder of record of a security for a customer or for a person or persons unknown to such broker or dealer or nominee where, for five successive years, all amounts paid thereon or with respect thereto and received after June thirtieth, nineteen hundred forty-six by such broker or dealer or nominee have remained unclaimed.

Provided, however, that if any amount or security specified in subdivision one, two or three of this section is reflected, recorded or included in an account with respect to which such broker or dealer has on

file evidence in writing received within the five years immediately preceding the thirty-first day of December preceding the date such amount or security would otherwise be payable or deliverable pursuant to section five hundred twelve that the person entitled thereto had knowledge of such account, then such amount or security shall not be deemed abandoned property.

4. Any security held by a broker or dealer or nominee of such broker or dealer reflected, recorded or included in an account with respect to which, for five successive years, all statements of account or other communications which have been sent, via first class mail, to the customer at his last known address have been returned to such broker, dealer or nominee by the postal authorities for inability to locate the customer, and no written communication has been received from the customer by such broker, dealer or nominee, provided such security is held in this state by such broker, dealer or nominee or the last known address of the customer is located in this state. Added L.1952, c. 461, § 1; amended L.1963, c. 815, § 6; L.1965, c. 539, § 5, eff. June 28, 1965.

**ARTICLE VI—UNCLAIMED OR UNKNOWN OWNER
COURT FUNDS**

§ 800. Unclaimed or unknown owner court funds

1. The following unclaimed property shall be deemed abandoned property:

(a) Any moneys or other personal property or security in lieu thereof paid into court, which, except as provided in section ten hundred, shall have remained in the hands of any county treasurer, or the director of

finance of the city of New York, for five years, together with all accumulations of interest or other increment thereon, less such legal fees as he may be entitled to.

(b) Any legacy or distribution share to which an unknown person is entitled, as specified in section two hundred seventy-two of the surrogate's court act.

(c) Any moneys paid to a support bureau of a family court, for the support of a wife, child or poor relative, which shall have remained in the custody of a county treasurer, or the director of finance of the city of New York, for five years, together with any interest due thereon, less such legal fees as he may be entitled to. For purposes of this section, "family court" includes the domestic relations court of the city of New York prior to the first day of September, nineteen hundred sixty-two.

(d) Any moneys, securities or other intangible personal property in the custody of a county treasurer or the director of finance of the city of New York, provided

(i) such property was voluntarily paid or deposited with a court, officer of a court or a person authorized by a court to receive such property, and

(ii) such deposit was not made pursuant to order of the court in any action or proceeding, and

(iii) no action or proceeding has been commenced in respect to such property, and

(iv) five years have elapsed since the payment or deposit of such property.

2. Any abandoned property held or owing by a county treasurer or the director of finance of the city of New York to which the right to receive the same is established to the satisfaction of such county treasurer or director of finance of the city of New York shall cease to be abandoned. As amended L.1952, c. 462, § 1; L.1962, c. 689, § 1; L.1963, c. 658; L.1964, c. 576, § 1, eff. April 13, 1964.

ARTICLE VII—UNCLAIMED LIFE INSURANCE FUNDS

§ 700. Unclaimed life insurance corporation moneys

1. The following unclaimed property held or owing by life insurance corporations shall be deemed abandoned property:

(a) Any moneys held or owing by any life insurance corporation which shall have remained unclaimed for seven years by the person or persons appearing to be entitled thereto under matured life insurance policies on the endowment plan and which are payable to any person whose last-known address, according to the records of the corporation, is within this state.

(b) Any moneys held or owing by any life insurance corporation which are payable under other kinds of life insurance policies to any person whose last-known address, according to the records of the corporation, is within this state, where the insured, if living, would, prior to the thirty-first day of December next preceding the report required by section seven hundred one, have attained the limiting age under the mortality table on which the reserves are based, exclusive of

(i) any policy which has within seven years been assigned, readjusted, kept in force by payment of premium, reinstated or subjected to loan, or

(ii) any policy with respect to which such corporation has on file written evidence received within seven years that the person or persons apparently entitled to claim thereunder have knowledge thereof.

(c) Any moneys held or owing by any life insurance corporation due to beneficiaries or other persons entitled thereto under policies on the lives of persons who have died where the last-known address, according to the records of the corporation, of the person or persons appearing to be entitled thereto is within this state, which moneys shall have remained unclaimed by the person or persons entitled thereto for seven years.

(d) If no address of the person or persons appearing to be entitled to the unclaimed funds pursuant to (a), (b) or (c) is known to such corporation, or if it is not definite and certain from the records of such corporation what person is entitled to such funds, it shall be presumed that the last-known address of the person entitled to such funds is the same as the last-known address of the insured according to the records of such corporation. As amended L.1964, c. 695, § 1, eff. April 22, 1964.

ARTICLE X—UNCLAIMED CONDEMNATION AWARDS

§ 1000. Unclaimed condemnation awards

1. Any moneys held or owing for the payment of an award heretofore or hereafter made by a court in any condemnation proceeding and payable by a public corporation or other corporation possessing powers of condemnation, which shall have remained unclaimed by the person or persons appearing to be entitled thereto for five years after confirmation by the court, together with any interest due thereon, less, when an award is payable by a public corporation, any amount due such public corporation at the time of title vesting for tax or water liens on the same parcel the award was for with any interest due thereon, and any amount due such public corporation at the time of title vesting or at the time of confirmation, whichever is later, for an assessment on the same parcel the award was for, with any interest due thereon, shall be deemed abandoned property.

Notwithstanding any other provision of law, any such award paid to any county treasurer or to the director of finance of the city of New York shall be deemed an abandoned award. Any county treasurer to whom such an abandoned award has been paid by a public or other corporation shall repay forthwith to such corporation any such abandoned awards remaining in his custody after deducting any fees he may be entitled to pursuant to law for a payment of such moneys, and hereafter no such corporation shall pay to a county treasurer any award made by a court in a condemnation proceeding unless such award is made for county owned property. The director of finance of the city of New York shall pay out of the court and trust fund in his custody any abandoned awards therein in the same manner as he would pay pursuant to this section any abandoned award, except that he shall deduct from such awards any fees he may be entitled to pursuant to law for a payment of such moneys.

The issuance of a warrant for such an award shall not prevent an award from being deemed abandoned property if such warrant is unclaimed five years after confirmation by the court of such award. As amended L.1964, c. 576, § 4, eff. April 16, 1964.

ARTICLE XIII—MISCELLANEOUS UNCLAIMED PROPERTY

§ 1300. Unclaimed surplus from sale of pledged property

1. Any unclaimed moneys arising from the sale of any personal property which shall have been pledged or mortgaged as security for the loan of money with a corporation, except a banking organization or a licensed lender, heretofore or hereafter organized by or pursuant to a special statute for the purpose of, and principally engaged in, giving aid to individuals by loans of money at interest upon the pledge or mortgage of personal property, and which has subjected itself to special provisions of the banking law, after deducting the amount of the loan, the interest then due on the same and any other lawful charges, which shall have remained in its possession for six years from the date of such sale, shall be deemed abandoned property.

2. Any such abandoned property held or owing by a corporation to which the right to receive the same is established to the satisfaction of such corporation shall cease to be deemed abandoned.

3. On or before the first day of June in each year every such corporation shall report and pay over to the state comptroller all abandoned property specified in subdivision one, which is in its possession and which shall have become abandoned prior to the preceding first day of January.

§ 1301. Unclaimed surplus from sale of pledge

1. The word, "pledgee", as used in this section shall mean any person, partnership or corporation

(a) loaning money on the deposit or pledge of personal property, or

(b) purchasing personal property on condition of selling back at a stipulated price, or

(c) doing business as warehouse men and loaning or advancing money upon goods, wares or merchandise pledged or deposited as collateral security.

2. Any surplus moneys resulting from a sale by a pledgee, other than a banking organization, after the thirtieth day of June, nineteen hundred fifty of personal property after deducting the amount loaned or advanced, interest due thereon and any other lawful charges, which surplus moneys have remained unpaid to the person entitled thereto for one year from the date of such sale, shall be deemed abandoned property.

3. Each year in the month of July and on or before the tenth day thereof every pledgee shall pay to the state comptroller all abandoned property specified in subdivision two of this section. Every such payment shall be accompanied by a verified written statement which shall contain the name and last known address of the pledgor, the date of the sale, the number of the pledge, if receipt given to the pledgor is so identified, and the amount of such surplus moneys. Added L.1952, c. 610, § 2, eff. April 9, 1952.

§ 1304. Unclaimed personal property of persons in certain state institutions

1. The following unclaimed property belonging or credited to a discharged, deceased or escaped person in an institution under the jurisdiction of the department of social welfare, the department of health, the department of mental hygiene or the department of correction, shall be deemed abandoned property:

(a) Any moneys or intangible personal property which has been inventoried pursuant to section one hundred twenty-eight of the state finance law, and

(b) Any proceeds, less lawful deductions, from a sale of tangible personal property, other than money, pursuant to section one hundred twenty-eight of the state finance law.

2. Any such abandoned property shall be paid or delivered forthwith to the state comptroller. Such payment shall be accompanied by a verified written report setting forth such identifying information as the state comptroller may require. Added L.1943, c. 698, §

3, eff. June 1, 1944.

§ 1305. Unclaimed surplus moneys after recovery of cost of public assistance and care

Any amount comprising a balance credited to an estate or person pursuant to sections one hundred fifty-two-b, two hundred twenty-six or three hundred sixty of the social welfare law which, on June thirtieth in any year, has for four years from the date of such credit remained unclaimed by the estate or person entitled thereto shall be deemed abandoned property.

On or before the tenth day of September in each year every public welfare official shall pay such abandoned property to the state comptroller. Such payment shall be accompanied by a verified written report in such form as the state comptroller may prescribe. Added L.1959, c. 803, § 4, eff. April 24, 1959.

§ 1306. Abandoned property resulting from the administration of the vehicle and traffic law

Any abandoned property resulting from the administration of the vehicle and traffic law in the hands of the commissioner of motor vehicles or the commissioner of taxation and finance on the first day of January in any year shall be paid to the state comptroller not later than the first day of July following. Such payment shall be accompanied by a written report setting forth such identifying information as the state comptroller may require. As amended L.1946, c. 658, § 2; L.1952, c. 212, § 3, eff. July 1, 1952.

§ 1307. Unclaimed proceeds from the sale of wrecked property

1. Any proceeds, less lawful deductions, from a sale of wrecked property pursuant to section one hundred thirty-eight of the navigation law, shall be deemed abandoned property.

2. Any proceeds, less lawful deductions, from a sale of perishable wrecked property, pursuant to the provisions of section one hundred thirty-one of the navigation law, held or owing by a county treasurer, which shall have remained unclaimed by the person entitled thereto for one year from the date of such sale, shall be deemed abandoned property.

3. Any sheriff or county treasurer holding any such abandoned property, shall pay the same to the state comptroller immediately after such property shall have been deemed abandoned. Each such payment shall be accompanied by a verified written report which shall set forth such information as the state comptroller may require. Added L.1943, c. 700, § 2, eff. June 1, 1944.

§ 1308. Unclaimed wages

1. Any money received from or for the account of an employer and held or owing by the department of labor for the payment of compensation for services theretofore performed by employees or

former employees of such employer, which shall have remained unclaimed by such employee for a period of one year after receipt thereof by such department, shall be deemed abandoned property.

2. On or before the first day of May in each year the industrial commissioner shall pay over to the state comptroller for credit to the abandoned property fund all such property which shall have become abandoned prior to the first day of the preceding month.

3. Such payment to the comptroller shall be accompanied by a statement setting forth:

(a) The name and last known address of each employee entitled to such abandoned property and the amount to which such employee is entitled.

(b) The name of the employer and his or its last known address.

(c) The period of employment during which such salary or wages accrued.

(d) Such other identifying information as the state comptroller may require. Added L.1944, c. 526, eff. June 1, 1944.

§ 1309. Uncashed travelers checks and money orders

1. Any amount held or owing by any organization other than a banking organization for the payment of a travelers check or money order on which such organization is directly liable, sold by such organization on or after January first, nineteen hundred thirty, shall be deemed abandoned property if such amount is held or owing (a) for payment of a travelers check which shall have been outstanding for more than fifteen years from the date of its sale, or (b) for payment of a money order which shall have been outstanding for more than seven years from the date of its sale.

2. On or before the first day of May in each year commencing with the year nineteen hundred forty-nine every such organization holding or owing such abandoned property shall make a verified written report to the state comptroller of all such abandoned property held or owing by it as of the thirty-first day of December next preceding. Such report shall set forth the amount and identifying number of each travelers check and money order for the payment of which such abandoned property is held or owing.

3. On or before the first day of June in each year commencing with the year nineteen hundred forty-nine every such organization shall pay to the state comptroller all abandoned property specified in its report of that year, excepting such abandoned property as shall have ceased to be abandoned since the date as of which such report was prepared.

Such payment to the state comptroller shall be accompanied by a statement setting forth such information as the state comptroller may require relative to such abandoned property as shall have ceased to be abandoned.

4. Notwithstanding any other provision of law, the rights of a holder of a travelers check or money order to payment from any such organization shall be in no wise affected, impaired or enlarged by reason of the provisions of this section or by reason of the payment to the state comptroller of abandoned property hereunder, and any such organization which has paid to the state comptroller abandoned property held or owing for the payment of a travelers check or money order shall, upon making payment to the person appearing to its satisfaction to be entitled thereto and upon submitting to the state comptroller proof of such payment and the identifying number of the travelers check or money order so paid, be entitled to claim reimbursement from the state comptroller of the amount so paid, and after audit the state comptroller shall pay the same without the deduction of any services or other charge. Added L.1949, c. 824; amended L.1956, c. 228; L.1960, c. 307; L.1964, c. 43, § 1, eff. Feb. 24, 1964, retroactive Dec. 1, 1963.

§ 1310. Unclaimed miscellaneous property

Any person who holds property belonging to any other person, which property has remained unclaimed for a period of six years by the person or persons appearing to be entitled to receive such property, may apply to the supreme court upon fifteen days' notice to the state comptroller for an order declaring such property to be abandoned and directing the payment of such property to the state comptroller, if the comptroller shall elect to receive the same. Upon payment of such property to the state comptroller pursuant to such order, the former holder of the property shall be relieved of any and all liability in connection therewith. Added L.1951, c. 588, eff. April 6, 1951.

§ 1311. Unclaimed moneys erroneously collected by utility corporations on account of taxes

1. Any amount held or owing by a gas corporation, an electric corporation, a gas and electric corporation, a district steam corporation, a telegraph corporation, a telephone corporation, a telegraph and telephone corporation or a water works corporation which it has collected within eight years next preceding the effective date of this section, or which it shall hereafter collect, from a consumer or subscriber for or on account of any tax or assessment, or any part thereof, for which the consumer or subscriber was not legally liable, less lawful deductions, which shall have remained unclaimed by the person or persons entitled thereto for one year from the date it was so collected, shall be deemed abandoned property.



STATE OF NEW YORK
DEPARTMENT OF AUDIT AND CONTROL
ALBANY

ARTHUR LEVITT
STATE COMPTROLLER

November 22, 1966

IN REPLYING REFER TO

Abandoned Property Law

California Law Revision Commission
School of Law
Stanford University
Stanford, California 94305

Attention: Joseph B. Harvey
Assistant Executive Secretary

Gentlemen:

This is in reply to your letter dated November 11, 1966 relative to a study being made by your commission of the California abandoned property statute.

The abandoned property receipts and refunds given in your letter for New York State are correct but are for twelve-month periods beginning July 1 rather than for the New York State fiscal year which runs from April 1 through March 31.

Personal service costs of administering our abandoned property program for the 1966-67 fiscal year will be approximately \$271,000. Employee fringe benefits such as retirement and social security are included in this figure. In addition to an office staff comprised of 29 employees engaging either full or part-time in the administration of our abandoned property law, there is a field force of auditors who make selected on-site examinations of the records of organizations subject to our Abandoned Property Law.

Abandoned property receipts from utility corporations do not represent a significant portion of total abandoned property receipts. During the last completed "abandoned property" year, that is, the twelve months ended June 30, 1966, receipts from utilities constituted only 1.63% of total abandoned property receipts. The previous year was also 1.63%. In the four years cited in your letter, namely 1961-62 through 1964-65, receipts from utility corporations presented in the same chronological order were \$70,620, \$87,900, \$107,138 and \$131,963. In 1965-66 utilities receipts amounted to \$159,689 as compared to total receipts of \$9,750,394.

Attached is a photocopy of a statement showing abandoned property receipts from the various sources for the 7/1/65 - 6/30/66 year and cumulative receipts from the time of inception of the Abandoned Property Law through June 30, 1965 and through June 30, 1966. You will note that in this statement there are two "Miscellaneous" categories. The one followed by the identification XIII is actually several of the smaller reporting categories combined for convenience. The other "Miscellaneous" item identified by Section 1310 is a single statute which provides for any person who holds property belonging to another person and which has remained unclaimed for six years to apply to the Supreme Court for an order declaring such property to be deemed abandoned property and directing payment thereof to the State Comptroller upon election of the State Comptroller to receive such property.

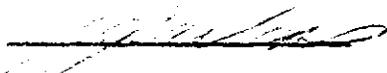
The category Money Orders and Travelers Checks pertains to amounts held or owing for the payment of such instruments by non-banking organizations. Interest on Bank Deposits and Interest on Redemption of U.S. Bills represents interest received on the investment of abandoned property. The category Security Liquidation Account appearing at the bottom of the list is an account into which the net proceeds from the sale of all abandoned securities received by this Department are deposited. About 70% is derived from the sale of abandoned securities received from brokers and dealers. Most of the remainder is derived from the sale of securities received from corporations.

We are unable to forecast at this time just what the ultimate effect, if any, of the U.S. Supreme Court's decision in Texas v. New Jersey will be with respect to the New York State Abandoned Property Law.

Very truly yours,

ARTHUR LEVITT
State Comptroller

By


J. J. Mullens
Assistant Director

P.J.Hein/md

Enc.

LAN CRANSTON
CONTROLLER



Controller of the State of California

SACRAMENTO

December 16, 1966

California Law Revision Commission
Room 30, Crothers Hall
Stanford, California

Attention Mr. John H. DeMouilly
Executive Secretary

Gentlemen:

This is in reply to your letter of December 13. Enclosed is a statement of gross receipts under the Unclaimed Property Act for the 1965-66 fiscal year.

I have reviewed the New York statement of receipts and find that with one exception all of the sources listed are covered under the California Act. New York lists "utility corporations" and "New York Telephone Company". As you are aware, utilities are exempt from the existing California Act.

Money Orders and travelers checks are a major item in the New York report. Under the California Act, travelers checks which are "issued" by out-of-state companies are exempt even though they are sold by agencies in California. Two of the largest organizations issuing travelers checks are the American Express Company and the National City Bank of New York. In view of the Texas vs. New Jersey decision, the California Act should be amended to lift the exemption. The exemption was originally adopted (according to John F. Hassler, former Deputy Attorney General) to avoid travelers checks issued by American Express, because that company maintains its principal place of business in New York, and that State was laying claim to all proceeds from unclaimed travelers checks, notwithstanding residence of the purchaser.

Several items listed in the New York schedule of receipts are not specifically mentioned in the Uniform Disposition of Unclaimed Property Act but are covered under provisions of other laws which require their deposit in the Unclaimed Property Fund as though received under the Abandoned Property Act. Unknown distributees would fall in this class being covered by Section 1027, Probate Code, and moneys in the hands of State institutions or public welfare deposits are covered under provisions of

California Law Revision Commission
December 16, 1966
Page 2

the Welfare and Institutions Code. In addition, Sections 5009-5010, Corporations Code, cover unclaimed funds upon dissolution of corporations.

At the present time we have nothing comparable to the "Security Litigation Account" shown by New York, although we are holding a considerable number of stock certificates delivered by various types of holders. At such time as the Bank of America case is finally resolved, we will be in a position to sell the certificates if the ruling is in our favor. In the meantime, none have been sold.

Moneys deposited in the Abandoned Property Account are not directly invested but become a part of the pool of treasury moneys which is invested by the State Treasurer. We therefore do not have an account showing interest earnings, since the earnings of the pool are credited to the State General Fund. Earnings would be negligible in any event even if directly invested, due to the requirement that all moneys in excess of \$50,000 be transferred to the General Fund at the close of each month.

Unclaimed condemnation awards or unclaimed moneys deposited in court are covered under Section 1507 of the Unclaimed Property Act.

Please let me know if you need any further information.

Very truly yours,

ALAN CRANSTON, STATE CONTROLLER

By


S. J. Cord, Chief
Division of Accounting

UNCLAIMED PROPERTY FUND RECEIPTS
 July 1, 1965 - June 30, 1966
 State of California

Source	Amount
<u>BANKING ORGANIZATIONS</u>	
Demand, Sav., Time Deposits	\$ 284,339.90
Drafts, Cert. Cks., etc.	202,254.41
Contents of Safe-Deposit Boxes	4,169.65
Trust Deposits	27,700.21
Liquidating Dividends	20.00
Earnings Due Shareholders	14,894.73
Unclaimed Shares	-
Miscellaneous	48.79
<u>FINANCIAL ORGANIZATIONS</u>	
Demand, Sav., Time Deposits	37,772.52
Drafts, Cert. Checks, etc.	8,673.46
Contents of Safe-Deposit Boxes	-
Trust Deposits	72.01
Earnings Due Shareholders	50.82
Miscellaneous	58.75
<u>BUSINESS ASSOCIATIONS</u>	
Drafts, Cert. Cks., etc.	13,359.64
Contents of Safe-Deposit Boxes	2,323.63
Trust Deposits	96,023.89
Liquidating Dividends	3,632.93
Earnings Due Shareholders	97,570.11
Unclaimed Shares	8,128.45
Miscellaneous	221,506.83
<u>LIFE INSURANCE CORPORATIONS</u>	
Matured or Terminated Policies	263,533.02
Policy Holders Dividends	6,136.08
Liquidating Dividends	-
Earnings Due Shareholders	413.39
Unclaimed Shares	210.38
Miscellaneous	17,084.25
<u>PUBLIC OFFICERS & PUBLIC AGENCIES</u>	
All Intangible Personal Property	828.54
Trust Deposits	2,013.26
<u>OTHER HOLDERS</u>	
Trust Deposits	-
Other Intangible Personal Property	-
Total	\$ 1,312,819.65