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April 7, 2017

Senate President John J. Cullerton  
President Pro Tempore Don Harmon  
Majority Leader James Clayborne, Jr.  
Republican Leader Christine Radogno  
Sen. Michael Connelly

RE: The Unclaimed Property Professionals Organization's comments regarding Illinois S.B. 1470

Dear Senators:

The Unclaimed Property Professionals Organization (UPPO) is the national trade association of unclaimed property holders and service providers. We represent over 400 unclaimed property holders and service providers and 1,300 unclaimed property professionals of diverse industries and employer size. UPPO advocates for fairness in unclaimed property laws and regulations, and respectfully submits our concern with Illinois S.B. 1470.

S.B. 1470 would place a requirement on holders to send due diligence notices to owners of property valued at \$1,000 or more via United States certified mail, return receipt requested. Though holders recognize and support the necessity of owner outreach, certified mail (and return receipt) is a costly burden for holders and no evidence has been presented to suggest that it would elicit more owner responses than a notice sent via first class mail. However, if the Illinois legislature believes that such a requirement is necessary, we recommend using the New York model.

New York currently requires a two-tiered approach to due diligence-related notices when the property involved is valued at greater than \$1,000 (New York Abandoned Property Law, Section 1422 (2)). First, a letter must be sent via first class mail not less than 90 days prior to the reporting deadline. If there is no response to that letter, a second letter must be sent via certified mail within 60 days of the reporting deadline. A bill is pending before the New York legislature (A.B. 1881) which would increase the dollar threshold for triggering the certified mail requirement to property valued at greater than \$3,000. This

would require holders to use certified mail as outreach to owners when the sum pending escheatment is more significant.

In addition, UPPO recommends that the returned receipt should not be a required component of the certified mailing. It's not a reliable form of communication for some holders and it increases the cost of certified mailings. For example, the securities industry is under strict privacy regulations, which would prohibit securities holders from including account information on the returned receipt postcard. Without information tying the returned receipt back to a particular account, the holder would need to decipher a signature on the returned receipt and attempt to associate it with a particular account. There are numerous issues with this, because signatures can be difficult to decipher, and when a certified mailing is sent to a home for example, with multiple residents, it's not guaranteed that the apparent owner is the one signing the returned receipt postcard. Without confidence that the apparent owner signed the returned receipt, the holder is unable to rebut the presumption of abandonment, even though the holder spent unnecessary funds for the returned receipt option. Some holders may find benefit in the returned receipt contact method but it's not true of all holders, and therefore it's recommended that the bill language be changed to say that it's an option but not a requirement. Additionally, although S.B 1470 allows holders to deduct the reasonable cost of sending the certified mail, returned receipt, many holders (such as the securities industry) are not able to deduct such costs.

We urge you to modify the language of S.B. 1470 to balance the necessity of owner outreach and the burden placed on holders. Thank you for your consideration. Please contact me with any questions or comments regarding the content of this letter.

Sincerely,



Toni Nuernberg  
Executive Director, Unclaimed Property Professionals Organization  
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