
Unclaimed Property Relating to Utility Companies

The following information corresponds to Article IV and Section 1311 of New York's Abandoned Property Law. For more information, refer to Article IV and Section 1311 of the statute.

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Unclaimed Property

Unclaimed property subject to Article IV of the Abandoned Property Law includes:

- Deposits made to secure payment for utility services
- Amounts paid in anticipation of utility services being provided, which, in fact, are not provided
- Refunds of any excess charges

Section 1311 of the Abandoned Property Law provides coverage for erroneously collected tax or assessment monies for which the consumer was not liable. Unlike Article IV, which has a two-year dormancy period, Section 1311 maintains a one-year dormancy period.

Important Dates - Unclaimed Property Relating to Utility Companies

July 1

Cut-off Date

July 10

First Class Mailing Completed

August 10

Certified Mailing Completed

August 31

Publication Notice Due

September 10

Proof of Publication Due

October 10

Final Report and Remittance Due

Applicable Property Types - Unclaimed Property Relating to Utility Companies

All dormancy periods are as noted.

- 5A** Utility service deposit (two-year dormancy)
- 5B** Advance payments for utility services not furnished (two-year dormancy)
- 5C** Refunds due on overcharges by utility companies (two-year dormancy)
- 8X** Late filing interest

Statutory Considerations in Addition to Article IV and Section 1311 - Unclaimed Property Relating to Utility Companies

Article V and Section 1315 of New York's Abandoned Property Law

In addition to Article IV and Section 1311, utility companies are subject to the statutory requirements of Article V and Section 1315 of New York's Abandoned Property Law. Unidentified remittances from customers, customer payments, e.g., for appliance purchases, and unclaimed outstanding vendor checks are subject to Section 1315.

For more information, refer to Article V and Section 1315 of the statute and OUF's General Corporations document.

Holders Not Authorized to Conduct Business in New York State

Section 1312 of New York's Abandoned Property Law extends statutory coverage to any utility company that:

- Is chartered or organized in another state and not authorized to do business in New York
- Holds unclaimed property payable to a person whose last known address is within New York

Such reporting organizations are subject to the same statutory reporting requirements as organizations doing business in New York. However, the publication requirement does not apply.

Section 1422 of New York's Abandoned Property Law

Section 1422 of the APL requires that, at least 90 days prior to your final report, a first class mailing be made to each person whose name is expected to appear on the report unless the address is unknown or the holder can demonstrate that the address it has for the owner is not the owner's current address. In addition, at least sixty days prior to your final report, a certified mailing, return receipt requested, must be made to each person whose name is expected to appear on the report whose abandoned property is valued in excess of \$1000.00 unless a claim has been initiated since the first class mailing was sent, or the first class mailing was returned as undeliverable.

Schedule of Events for Article IV and Section 1311 - Unclaimed Property Relating to Utility Companies

July 1

For the purposes of reporting abandoned property, a utility company's year runs from July 2 through July 1. July 1 is the cut-off or ending date for the reporting period. Use it when identifying abandoned accounts/items.

July 2 through August 1

During this period:

- Review your records and collect data relative to any account/item that may be dormant and subject to reporting.

If you have an account/item subject to reporting:

- Compile the data in one of our reporting formats, so that you may submit it as your final report. If you do not have any items subject to reporting, no further action is required.

July 10

By this date:

Send a first class mailing to each person or entity whose name is expected to appear on your report of abandoned property and request a signed written statement that acknowledges the property's existence. This requirement does not apply to those accounts that meet the exclusionary provisions of Section 1422.

Reactivate all owners who respond to the mailing. Their property will no longer be dormant, and you should remove them from reporting consideration.

August 10

By this date:

If an owner hasn't responded to the first class mailing, or if the first class mailing was not returned as undeliverable, and the value of all unclaimed property held for the owner exceeds \$1000, you are required to send a second notification via certified mail, return receipt requested.

You may charge the cost of the certified mailing against the property's value.

Reactivate all owners who respond to the mailing. Their property will no longer be dormant, and you should remove them from reporting consideration. Please note that we consider a return receipt to be customer contact if the receipt bears the signature of the account owner. Therefore you should verify return receipt signatures against the other signature records you may have for an account owner.

August 31

By this date:

- Publish a notice of abandoned property to be remitted to the State Comptroller. You may not deduct publication costs from the account's value.

Article IV does not require publishing individual names, but instead specifies publishing a blanket statement announcing the existence of abandoned property in a specific county.

September 10

By this date:

- File proof of publication a copy of the advertisement and an affidavit.

July 2 through September 30

During this period:

- Update your report as necessary to reflect any activity/contact that has occurred and complete report removals based on contact with owners.

October 1 through October 10

During this period:

- Finalize the report.
- Arrange for payment.
- Submit the report, payment, and a new Verification and Checklist. We need to receive them by the close of business on October 10.

Important Issues - Unclaimed Property Relating to Utility Companies

Excess Taxes

The law requires you to report refunds of excess taxes.

Interest

Utility deposits accrue interest at a rate the Public Service Commission approves. The period is from the date you receive the deposit until the date you issue a check.

Due Diligence - Unclaimed Property Relating to Utility Companies

Utility Companies are required to conduct due diligence in the form of mailings and publication. The associated costs for completing certified mailing due diligence may be charged individually to the abandoned accounts involved in the due diligence effort, while the costs for completing the publication and first class mailing requirements cannot be offset. You may not take a bulk deduction against the report's total value. A positive customer response to any due diligence attempt negates the need for further due diligence actions on an account.

You should exercise due caution in attempting to contact entitled owners who reside in politically sensitive countries. Also, please note that certified mailing requirements do not apply to residents of foreign countries. Address any questions pertaining to this subject to our Director of Audits.

Mailing Requirements

First Class and Certified Mailings

The law requires that all organizations do the following:

- At least 90 days prior to their final report/remittance date, send a first class mailing to each owner whose name is expected to appear on that report unless;
 - The owner address is unknown, or
 - The holder can demonstrate that the address it maintains for the property owner is not the property owner's current address

And

- At least 60 days prior to their final report/remittance date, send a certified mailing, return receipt requested, to each owner whose name is expected to appear on that report with abandoned property valued in excess of \$1000.00 unless;
 - A claim has been initiated since the first class mailing was sent, or
 - The first class mailing was returned as undeliverable.

Multiple Owners

For cases in which multiple owners of an item have different addresses, you must send a letter to each owner. You may deduct the additional costs of mailing a certified notice to more than one address.

Multiple Items

Where feasible, if you are reporting more than one item for the same customer, one letter should address all of the items you are reporting.

Costs

You may deduct the mailing costs for certified mail. Deduct such charges from each item for which you are mailing the notice. You may not make a bulk deduction against the final remittance.

Mailing Requirements – Dividend Reinvestment Accounts

Article V requires you to send notification to the apparent owners of securities that are enrolled in reinvestment plans. This notification, which is to be sent via certified mail return receipt requested, should advise owners that in the absence of establishing written communication with the holder their securities will be delivered to the State Comptroller as abandoned property. A return receipt signed by the owner of the property is to be considered contact.

Additionally, Article V stipulates that owners of unclaimed wages be notified at the last known address of record via first class mail.

In either of the above cases the notifications must be sent in the calendar year prior to the year in which you are required to deliver the property to the State Comptroller. You may not deduct the cost of sending notifications from the value of the abandoned property.

Remittance

Refer to the industry-specific document that applies to your business for information regarding appropriate remittances. Note – electronic funds transfer is available to remit payment. Contact the Reports Processing Unit at nysrpu@osc.state.ny.us for account and routing number information.

With each final report of abandoned property, you should include the applicable remittance payable to the Comptroller of the State of New York. You should mail it to the following address:

New York State Office of the State Comptroller
Office of Unclaimed Funds
Remittance Control, 2nd floor
110 State Street
Albany, New York 12236

In accordance with OUF's internal control procedures, you should send all payments to the above address. At no time should you send any remittances to our New York City office.

Electronic Funds Transfer

E-cash is now a viable method to make payment of the amount due for your report of abandoned property. Please contact our Communication Center or our Reports Processing Unit for further instruction and for account and routing number information.

Publication Sample - Unclaimed Property Relating to Utility Companies

NOTICE OF UNCLAIMED PROPERTY HELD BY name of utility, city of utility.

NOTICE IS HEREBY GIVEN pursuant to Section 402 of the Abandoned Property Law of the State of New York that:

- a) a report of unclaimed amounts of money or other property held or owing by the above named corporation has been made to the Comptroller of the State of New York, and that a list of names of the persons appearing from the records of such corporation to be entitled thereto is on file and open to public inspection at its principal office or place of business in the name of city, village or county where any such property is payable;
- b) such deposits, payments and refunds, together with interest due thereon and less lawful deductions, will be paid by it on or before the succeeding thirteenth day of September to persons establishing to its satisfaction their right to receive the same; and
- c) in the succeeding month of October, and on or before the tenth day thereof, such unclaimed deposits, payments and refunds, together with interest due thereon and less lawful deductions, still remaining will be paid to the Comptroller of the State of New York, and that it shall thereupon cease to be liable therefore.

Name of utility

Address of utility