

**RULES
OF
TENNESSEE DEPARTMENT OF TREASURY
DIVISION OF UNCLAIMED PROPERTY**

**CHAPTER 1700-02-01
REGULATIONS GOVERNING THE UNIFORM DISPOSITION
OF UNCLAIMED PROPERTY ACT**

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1700-02-01-.01 ORGANIZATIONS AND INDIVIDUALS REQUIRED TO REPORT.

- (1) Every holder of property belonging to another person who has not claimed such property or with whom no correspondence has been had for the statutory period is required to file an annual report to the State Treasurer of Tennessee. Organizations and individuals which are required to report to the State Treasurer include but are not limited to:
 - (a) state government agencies
 - (b) state and national banks
 - (c) clerks of court
 - (d) cooperative organizations and marketing associations
 - (e) businesses, corporations, partnerships, associations and other business organizations and firms
 - (f) local government agencies
 - (g) educational units, including, but not limited to, colleges, universities, and private schools
 - (h) hospitals
 - (i) life insurance and other insurance companies
 - (j) issuers of money orders and travelers checks
 - (k) public utilities

(Rule 1700-02-01-.01, continued)

- (l) savings and loan associations and credit unions.

Authority: T.C.A. § 66-29-113 and 66-29-130. **Administrative History:** Original rule filed October 26, 1978; effective January 29, 1979. Amendment filed September 30, 2010; effective February 28, 2011.

1700-02-01-.02 REPEALED.

Authority: T.C.A. §64-2913. **Administrative History:** Original rule filed October 26, 1978; effective January 29, 1979. Repeal filed September 4, 1996; effective January 28, 1997.

1700-02-01-.03 AUTHORIZATION TO POSTPONE REPORTING DATE. Upon receipt of a written request, the State Treasurer may allow an additional one (1) year period from the date specified for final distribution for reporting of intangible personal property distributable in the course of voluntary or involuntary dissolution of a business association, banking organization, or financial organization. For all other holders, the State Treasurer may, in his discretion, grant one thirty (30) day extension for reporting. A written request for an extension must be received by the Treasurer on or before May 1 for property held as of the previous December 31.

Authority: T.C.A. §§66-29-113(a) and (d) and 66-29-130. **Administrative History:** Original rule filed October 26, 1978; effective January 29, 1979. Amendment filed September 22, 1988; effective December 28, 1988. Amendment filed January 18, 1990; effective May 1, 1990.

1700-02-01-.04 REPORTING FORMS. Holders shall report unclaimed property, including the verification required in T.C.A. § 66-29-113, on electronic media only and in the format prescribed by the State Treasurer. A description of the type of electronic media on which the report shall be filed and the prescribed format of the report shall be available to holders at the Tennessee Department of Treasury, Division of Unclaimed Property's Internet web site. The State Treasurer has the authority to waive the requirements of this Rule with respect to any holder where strict compliance would be too costly or oppressive to the holder. In such event, the holder shall file the report in paper form and in the format prescribed by the Treasurer, or in such other alternate electronic media as the Treasurer deems acceptable. To obtain a waiver, the holder shall demonstrate in writing to the Treasurer that compliance with this Rule would be too costly or oppressive.

Authority: T.C.A. §66-29-113 and 66-29-130. **Administrative History:** Original rule filed October 26, 1978; effective January 29, 1979. Amendment filed August 31, 2000; effective December 29, 2000. Amendment filed September 30, 2010; effective February 28, 2011.

1700-02-01-.05 REPEALED.

Authority: T.C.A. §§66-29-113 and 66-29-130. **Administrative History:** Original rule filed October 26, 1978; effective January 29, 1979. Amendment filed September 22, 1988; effective December 28, 1988. Amendment filed September 4, 1996; effective January 28, 1997. Amendment filed August 31, 2000; effective December 29, 2000. Repeal filed September 30, 2010; effective February 28, 2011.

1700-02-01-.06 SUBMISSION OF REPORTS TO STATE TREASURER. Unclaimed Property Reports should be mailed or delivered to the State Treasurer at such address and in such manner as the Treasurer shall direct

Authority: T.C.A. §§66-29-113 and 66-29-130. **Administrative History:** Original rule filed October 26, 1978; effective January 29, 1979. Amendment filed September 4, 1996; effective January 28, 1997. Amendment filed August 31, 2000; effective December 29, 2000.

1700-02-01-.07 NEGATIVE REPORTS. Any banking organization, financial organization, life insurance company, or utility company within this State which in any year does not hold property subject to

(Rule 1700-02-01-.07, continued)

Tennessee's Uniform Disposition of Unclaimed Property Act (the Act) shall file a certified statement to that effect when requested by the State Treasurer.

Authority: T.C.A. §§66-29-113 and 66-29-130. **Administrative History:** Original rule filed October 26, 1978; effective January 29, 1979. Amendment filed September 4, 1996; effective January 28, 1997.

1700-02-01-.08 VOLUNTARY REPORTING. Since the Act is purely custodial, any holder of unclaimed property may voluntarily report funds before the statutory due date and be relieved of all accountability and responsibility upon delivery of the unclaimed property to the State Treasurer, to the extent of the value of the property reported and delivered. Provided, however, if the holder has in its records an address for the apparent owner which the holder's records do not disclose to be inaccurate and the property has a value of fifty dollars (\$50.00) or more, the holder must exercise due diligence, as such term is defined in Rule 1700-02-01-.19 below, to ascertain the whereabouts of the owner prior to reporting such property. The due diligence required by this rule shall be performed not more than one hundred twenty (120) days or less than sixty (60) days before filing the report.

Authority: T.C.A. §§66-29-113(f), 66-29-116, and 66-29-130. **Administrative History:** Original rule filed October 26, 1978; effective January 29, 1979. Amendment filed September 4, 1996; effective January 28, 1997. Repeal and new rule filed December 29, 2005; effective April 28, 2006.

1700-02-01-.09 REPEALED.

Authority: T.C.A. §§64-2913 and 64-2917. **Administrative History:** Original rule filed October 26, 1978; effective January 29, 1979. Repeal filed September 4, 1996; effective January 28, 1997.

1700-02-01-.10 REPEALED.

Authority: T.C.A. §64-2903. **Administrative History:** Original rule filed October 26, 1978; effective January 29, 1979. Repeal filed September 4, 1996; effective January 28, 1997.

1700-02-01-.11 ABANDONMENT OF CERTIFICATES OF DEPOSIT. Certificates of deposit which are automatically renewed at the end of a term and for which no contact has been made shall be deemed to be abandoned at the end of the term in which the statutory abandonment period has run.

Authority: T.C.A. §§66-29-104 and 66-29-130. **Administrative History:** Original rule filed October 26, 1978; effective January 29, 1979. Amendment filed September 4, 1996; effective January 28, 1997.

1700-02-01-.12 OWNER OF CASHIER'S CHECK DEFINED. For purposes of the Act, the owner of a cashier's check shall be deemed to be the person who is in possession of the instrument, provided such person is either the purchaser or the payee of the check. Any banking or financial organization or business association which has issued a cashier's check which is deemed abandoned under the Act shall report the name and address, if known, of both the payee and the purchaser of the check in accordance with T.C.A. § 66-29-113.

Authority: T.C.A. §§66-29-104, 66-29-113, and 66-29-130. **Administrative History:** Original rule filed October 26, 1978; effective January 29, 1979. Amendment filed September 4, 1996; effective January 28, 1997.

1700-02-01-.13 REPEALED.

Authority: T.C.A. §§64-2903 and 64-2913. **Administrative History:** Original rule filed October 26, 1978; effective January 29, 1979. Repeal by Public Chapter 575; effective July 1, 1986.

1700-02-01-.14 REPEALED.

Authority: T.C.A. §64-2929. **Administrative History:** Original rule filed October 26, 1978; effective January 29, 1979. Repeal by Public Chapter 575; effective July 1, 1986.

1700-02-01-.15 REPEALED.

Authority: T.C.A. §64-2921. **Administrative History:** Original rule filed October 26, 1978; effective January 29, 1979. Repeal by Public Chapter 575; effective July 1, 1986.

1700-02-01-.16 REPORTS MADE BY INSURANCE COMPANIES. In addition to proceeds of unclaimed matured or terminated policies or contracts, insurance companies are required to report funds held by them including, but not limited to, unclaimed dividends and salary checks.

Authority: T.C.A. §§66-29-112, 66-29-113, and 66-29-130. **Administrative History:** Original rule filed October 26, 1978; effective January 29, 1979.

1700-02-01-.17 REPORTS MADE BY UTILITY COMPANIES. "Lawful deductions" shall be defined as deductions for the gross amount of services left owing or damages to property owned by the utility company.

Authority: T.C.A. § 66-29-106 and 66-29-130. **Administrative History:** Original rule filed October 26, 1978; effective January 29, 1979.

1700-02-01-.18 REPORTS OF MISCELLANEOUS PROPERTY HELD FOR ANOTHER PERSON.

- (1) "Miscellaneous property held for another person" shall include but shall not be limited to:
 - (a) wages, commissions or other compensation which are not otherwise covered under Tennessee Code Annotated, Section 66-29-136
 - (b) royalties
 - (c) deposits or payment for repair or purchase of goods and services
 - (d) credit checks or memo
 - (e) customer overpayments
 - (f) gift certificates (uncashed)
 - (g) unidentified remittances
 - (h) refunds
 - (i) credit balances - accounts receivable
 - (j) discounts
 - (k) vendor checks
 - (l) claim payments
 - (m) unpaid accounts payable

(Rule 1700-02-01-.18, continued)

- (n) miscellaneous outstanding checks
- (o) any sum owing to a shareholder, certificate holder, member, bondholder, or other security holders or participating patron of a cooperative.

Authority: T.C.A. §§66-29-112, 66-29-130, and 66-29-136. **Administrative History:** Original rule filed October 26, 1978; effective January 29, 1979. Amendment filed August 31, 2000; effective December 29, 2000.

1700-02-01-.19 DUTIES OF HOLDERS.

- (1) Before filing the annual report of property presumed abandoned, the holder shall exercise due diligence to ascertain the whereabouts of the owner to prevent abandonment from being presumed. "Due diligence" is defined herein as the degree of care which a reasonably prudent man would exercise in the normal course of business operations.
 - (a) Evidence that the location of the owner cannot be ascertained may be the return of a first-class or superior mailing sent to the owner's last known address.
 - (b) First-class or superior mailings to owners in the ordinary course of the holder's business which are not returned as "undeliverable" shall constitute contact with the owner, and shall constitute an indication of interest in the property in accordance with the Act. Examples of such mailings include, but are not limited to, computerized statements of account and statements of interest earnings required by the Internal Revenue Service.

Authority: T.C.A. §§66-29-104(1)(C), 66-29-104(2)(C), 66-29-104(3)(A), 66-29-109, 66-29-113(e), and 66-29-130. **Administrative History:** Original rule filed October 26, 1978; effective January 29, 1979. Amendment filed September 4, 1996; effective January 28, 1997.

1700-02-01-.20 DELIVERY OF PROPERTY TO THE STATE TREASURER.

- (1) Except as provided in Rule 1700-02-01-.37, all property reported must be delivered to the State Treasurer unless, in his discretion, the State Treasurer determines that it is not in the interest of the State to take custody of the property and authorizes the holder, in writing, to dispose of the property.
- (2) Holders shall deliver unclaimed shares of stock or mutual funds in such form that future earnings from those shares or funds will be delivered in the form of cash rather than an increase in the number of shares. When there is an option of cash or stock dividends, the Treasurer prefers to receive cashholder shall deliver cash.
- (3) Holders shall deliver property to the State Treasurer accompanied by the remittance advice provided by the Treasurer.
- (4) Holders shall deliver property to the State Treasurer in such form as will empower him to sell or otherwise negotiate the property at any time to the extent necessary to effectuate the purposes of the Act.

Authority: T.C.A. §§66-29-107, 66-29-115, and 66-29-130. **Administrative History:** Original rule filed October 26, 1978; effective January 29, 1979. Amendment filed September 24, 1990; effective December 29, 1990. Amendment filed August 31, 2000; effective December 29, 2000.

1700-02-01-.21 REPEALED.

Authority: T.C.A. §64-2914. **Administrative History:** Original rule filed October 26, 1978; effective January 29, 1979. Repeal by Public Chapter 575; effective July 1, 1986.

1700-02-01-.22 PROHIBITED AGREEMENTS. Contractual agreements are not permitted which tend to circumvent the intention of the Tennessee General Assembly and provide any holder subject to this Act with a windfall or allow the holder to maintain custody of property deemed abandoned under the provisions of the Act.

Authority: T.C.A. §64-2929. **Administrative History:** Original rule filed October 26, 1978; effective January 29, 1979.

1700-02-01-.23 HOLDER REIMBURSEMENT FOR CLAIMS PAID. Any holder who has reported and delivered property to the Treasurer may make payment to the owner when presented with proper proof of ownership. If the property has not previously been returned by the Treasurer to the owner, the Treasurer shall reimburse the holder upon receipt of a photocopy, front and back, of the cancelled check issued to the recipient along with information identifying the type of property and the date it was delivered to the Treasurer.

Authority: T.C.A. § 66-29-116 and 66-29-130. **Administrative History:** Original rule filed October 26, 1978; effective January 29, 1979. Amendment filed September 24, 1990; effective December 29, 1990.

1700-02-01-.24 PROCEDURES GOVERNING DISPOSITION OF MARKETABLE SECURITIES TRADED ON A NATIONAL EXCHANGE.

- (1) Time of Disposal - The sale of all marketable securities delivered to the Unclaimed Property Division shall be authorized by the Treasurer eight (8) months following advertisement or as soon thereafter as practicable.
- (2) Manner of Disposal
 - (a) Securities shall first be offered for sale to the Tennessee Consolidated Retirement System at their current market price.
 - (b) Securities not purchased by the Tennessee Consolidated Retirement System shall be sold by a licensed broker designated by the Treasurer, who is a member of the New York Stock Exchange.
 1. Instructions to the broker shall be to sell the Security prior to the close of the market within three (3) days after delivery of the stock to him.
- (3) Proceeds From Sale - The full amount received from the sale shall be remitted to the Unclaimed Property Division and shall be held for the rightful owner.
- (4) Costs of Sale - All costs associated with the sale shall be paid by the Unclaimed Property Division.
- (5) Claims Prior to Sale of Security - If a claim is made for a security prior to its sale, the Unclaimed Property Division will attempt to transfer the security to the claimant. If the transfer is unsuccessful, at the written request of the claimant, the security will be sold prior to the date specified above and the proceeds will be paid to the claimant.

Authority: T.C.A. §64-2919. **Administrative History:** Original rule filed January 29, 1981; effective April 29, 1981.

1700-02-01-.25 REPEALED.

Authority: T.C.A. §64-2919. **Administrative History:** Original rule filed January 29, 1981; effective April 29, 1981. Repeal filed September 4, 1996; effective January 28, 1997.

1700-02-01-.26 REPEALED.

Authority: T.C.A. §64-2919. **Administrative History:** Original rule filed January 29, 1981; effective April 29, 1981. Repeal filed September 4, 1996; effective January 28, 1997.

1700-02-01-.27 REPEALED.

Authority: T.C.A. §64-2919. **Administrative History:** Original rule filed January 29, 1981; effective April 29, 1981. Repeal filed September 4, 1996; effective January 28, 1997.

1700-02-01-.28 REPEALED.

Authority: T.C.A. §§66-29-119 and 66-29-130. **Administrative History:** Original rule filed January 29, 1981; effective April 29, 1981. Amendment filed September 24, 1990; effective December 29, 1990. Repeal filed September 4, 1996; effective January 28, 1997.

1700-02-01-.29 REPEALED.

Authority: T.C.A. §64-2919. **Administrative History:** Original rule filed January 29, 1981; effective April 29, 1981. Repeal filed September 4, 1996; effective January 28, 1997.

1700-02-01-.30 REPEALED.

Authority: T.C.A. §64-2919. **Administrative History:** Original rule filed January 29, 1981; effective April 29, 1981. Repeal filed September 4, 1996; effective January 28, 1997.

1700-02-01-.31 REPEALED.

Authority: T.C.A. §§66-29-119 and 66-29-130. **Administrative History:** Original rule filed January 29, 1981; effective April 29, 1981. Amendment filed September 24, 1990; effective December 29, 1990. Repeal filed September 4, 1996; effective January 28, 1997.

1700-02-01-.32 REPEALED.

Authority: T.C.A. §64-2919. **Administrative History:** Original rule filed January 29, 1981; effective April 29, 1981. Repeal filed September 4, 1996; effective January 28, 1997.

1700-02-01-.33 REPEALED.

Authority: T.C.A. §§66-29-119 and 66-29-130. **Administrative History:** Original rule filed January 29, 1981; effective April 29, 1981. Repeal filed September 24, 1990; effective December 29, 1990.

1700-02-01-.34 REPEALED.

Authority: T.C.A. §64-2919. **Administrative History:** Original rule filed January 29, 1981; effective April 29, 1981. Repeal filed September 4, 1996; effective January 28, 1997.

1700-02-01-.35 REPEALED.

Authority: T.C.A. §64-2919. **Administrative History:** Original rule filed January 29, 1981; effective April 29, 1981. Repeal filed September 4, 1996; effective January 28, 1997.

1700-02-01-.36 REPEALED.

Authority: T.C.A. §64-2919. **Administrative History:** Original rule filed January 29, 1981; effective April 29, 1981. Repeal filed September 4, 1996; effective January 28, 1997.

1700-02-01-.37 REPORTS OF SAFE DEPOSIT BOX CONTENTS.

- (1) Any lessor, as defined in Tennessee Code Annotated, Section 45-2-901(4), who removes contents from a safe deposit box, vault, or other safe deposit receptacle in accordance with the procedures set forth in Tennessee Code Annotated, Section 45-2-907 shall report such contents to the State Treasurer by no later than May 1st of the year following the calendar year in which the box is opened. The contents from such boxes shall be reported separately from any other type of unclaimed property reportable to the State Treasurer by the lessor shall report the contents from such boxes separately from any other type of unclaimed property reportable to the State Treasurer. The State Treasurer shall create a separate and distinct unclaimed property report form for the reporting of safe deposit box contents. The report form shall elicit such information, as the Treasurer deems appropriate including, but not limited to, the following:
 - (a) A listing of the full names of the respective lessees in alphabetical order according to their surnames. The names of the lessees and their respective last known addresses shall appear in horizontal columns.
 - (b) Beside each lessee name, the following information shall be listed:
 1. if more than one lessee of the box exists, the relationship between the lessees;
 2. the name and address of any other person who, according to the lessor's records, may have an interest in the box's contents;
 3. the lessee(s) social security number if known to the lessor;
 4. the identifying number used by the lessor for the safe deposit box;
 5. the date the box was opened and inventoried; and
 6. a brief description of the property.
- (2) (a) Every lessor filing a report under this rule shall, at the time of filing such report and with that report, pay or deliver to the State Treasurer the following types of property removed from a safe deposit box:
 1. Intangible property including, but not limited to, stocks and bonds;
 2. Coins or currency with a face value of twenty dollars (\$20.00) or less each which are valued at no more than twice the face value; and
 3. Coins or currency with a face value of greater than twenty dollars (\$20.00) each which are valued at one hundred twenty-five percent (125%) or less of face value.

(Rule 1700-02-01-.37, continued)

- (b) The coins or currency described in subparagraphs (2)(a)2 and (2)(a)3 above shall not be delivered to the State Treasurer if the same can be deposited to the credit of the lessee in any existing account maintained by the lessor on behalf of the lessee. In such event, the lessor shall deposit the coins or currency to the credit of the lessee, minus any accumulated charges deducted by the lessor pursuant to Tennessee Code Annotated, Section 45-2-907. The lessor shall specify on the report: (i) the cash amount of the coins and currency, (ii) the amount deposited to the lessee's account after deduction of any accumulated charges and (iii) the fact that the funds have been deposited to an existing account of the lessee.
 - (c) The coins or currency described in subparagraphs (2)(a)2 and (2)(a)3 shall also not be delivered to the State Treasurer if other property is removed from the respective safe deposit box and held for subsequent sale. Instead, such coins and currency shall be retained until the sale and shall be treated as proceeds from the sale pursuant to paragraph (3) of this rule below.
- (3) All other property removed from a safe deposit box shall not be delivered to the State Treasurer at the time of filing the report. Instead, the lessor shall sell or otherwise dispose of the property in accordance with the procedures set forth in Tennessee Code Annotated, Section 45-2-907. The monetary proceeds resulting from any such sale, after deducting accumulated charges, including a proportionate share of the expense of advertising and conducting the sale, shall be deposited to the credit of the lessee in any existing account maintained by the lessor on behalf of the lessee. If no account exists, the proceeds shall be delivered to the State Treasurer within sixty (60) days of the sale along with the updated report required in paragraph (4) of this rule below.
- (4) Updated Report. After disposition of all contents of a safe deposit box, the lessor shall provide to the State Treasurer an updated report concerning the contents of the box. The updated report shall contain all the information provided in the initial report filed with the Treasurer pursuant to paragraph (1) of this rule above. In addition, the report shall contain the following information for each item of property described in the initial report:
- (a) A statement as to whether the item was returned to the owner, sold or destroyed;
 - (b) The net amount realized from the sale of that item; and
 - (c) If the net amount realized from the sale of the item was deposited to the credit of the lessee as provided in paragraph (3) of this rule above, a statement that the amount has been deposited to an existing account of the lessee.

Authority: T.C.A. §§45-2-907, 66-29-104(4)(A), 66-29-115(c), and 66-29-130. **Administrative History:** Original rule filed August 31, 2000; effective December 29, 2000. Amendment filed December 29, 2005; effective April 28, 2006.

1700-02-01-.38 AGREEMENTS RELATIVE TO UNREPORTED PROPERTY.

- (1) Any agreement entered into on or after July 1, 2005 with an owner whereby the owner is to pay a fee or other remuneration for locating, delivering, recovering, or assisting in the recovery of property that has not yet been reported to the State Treasurer pursuant to the Act is enforceable only if:
 - (a) The agreement is in writing;
 - (b) Clearly sets forth the nature of the property and the services to be rendered;

(Rule 1700-02-01-.38, continued)

- (c) Is signed by the apparent owner;
 - (d) States the value of the property before and after the fee;
 - (e) Discloses that, absent the agreement, the property would otherwise be delivered to a state administered unclaimed property program for safekeeping on the owner's behalf and that upon such delivery, the owner would have been able to recover the property from the state administered program without charge; and
 - (f) Informs the apparent owner that the owner may obtain additional information about unclaimed property programs by logging onto the Tennessee Department of Treasury, Division of Unclaimed Property's Internet web site.
- (2) Nothing in this rule shall be construed to prevent an owner from asserting at any time that an agreement to locate, deliver, recover, or assist in the recovery of property is based upon an excessive or unjust consideration.

Authority: T.C.A. §§66-29-122 and 66-29-130. **Administrative History:** Original rule filed December 29, 2005; effective April 28, 2006. Amendment filed September 30, 2010; effective February 28, 2011.

1700-02-01-.39 PROXIES. Due to the short time period within which securities are held under the Act prior to their sale, the State Treasurer shall not vote proxies received in connection with securities delivered to the Unclaimed Property Division.

Authority: T.C.A. §§66-29-107, 66-29-119, and 66-29-130. **Administrative History:** Original rule filed December 29, 2005; effective April 28, 2006.