

STATE OF DELAWARE  
DEPARTMENT OF FINANCE  
DIVISION OF REVENUE  
601 DELAWARE AVENUE  
WILMINGTON, DELAWARE 19899

TAX NEWSGRAM 72-48

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GENERAL EXPLANATION OF LAW, AS AMENDED BY SENATE BILL 685,  
RELATING TO ESCHEATS OF PROPERTY

Subchapter IV of Chapter 11, Title 12, Delaware Code provides in general that all property, the title to which has failed by reason of the owner having disappeared or being missing from his last known address for a period of 7 years, leaving no known heirs, or which is deemed abandoned under the provisions set forth therein, shall descend to the State of Delaware as an escheat. The holder of any such abandoned property is required to file a report with respect to such property on June 30 of each year with the State Escheator (Director of Revenue). As amended by Senate Bill 685, enacted on June 15, 1972, the law provides that the report shall contain the name and last known address of each person appearing to be the owner, a brief description of the property deemed abandoned, and the amount due. However, items of value under \$50.00 may be reported in aggregate.

Within 30 days after receiving the report, the State Escheator will cause to be published in local newspapers the names and last known addresses, if any, of the persons named in the report. At the expiration of 60 days (90 days from the date the report was filed) the holder is required to pay or deliver to the State Escheator all unclaimed abandoned property reported. Thereafter the holder is relieved of any liability for the property, and all claims must be filed with the State Escheator. A claim may be filed with the State at any time.

Under Delaware Law and decisions of the U. S. Supreme Court, abandoned property (other than realty) is required to be reported to the State Escheator in those instances where:

1. The last known address of the apparent owner is in Delaware, or
2. Where the last known address is in a State which does not provide for escheat and the holder is incorporated in Delaware, or
3. Where the address of the apparent owner is unknown and the holder is incorporated in Delaware.

The report required under the law need only be filed with the State Escheator if there is abandoned property to be reported. Negative reports are not required.

Senate Bill 685 amended the definition of "person" under the act so as to make the law applicable to corporations incorporated or organized under Delaware Law, as well as to corporations "doing business" in Delaware. With respect to corporations newly covered by the act, the amendment is made effective as of July 1, 1972, so that the initial report required by such corporations will not be due until June 30, 1973. The initial report of corporations doing business in Delaware is due June 30, 1972. Upon written request, the State Escheator may grant an extension of time for filing the report.

Senate Bill 685 also amended existing law to provide limits on the number of years the holder must go back in filing the initial report. The general rule is 15 years, except that the period with respect to dividends or distributions with respect to stocks, bonds, or other securities is unlimited.

  
J. H. Kennedy  
Director of Revenue

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