

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 5540 (Substitute S-1 as reported)
Sponsor: Representative Clark Bisbee
House Committee: Employment Relations, Training and Safety
First Senate Committee: Local, Urban and State Affairs
Second Senate Committee: Finance

CONTENT

The bill would amend the Uniform Unclaimed Property Act to exempt from the Act unpaid wages of \$50 or less owing in the ordinary course of a holder's business that remained unclaimed by the owner for more than one year after becoming payable.

Currently, unpaid wages, including wages represented by unrepresented payroll checks, owing in the ordinary course of a holder's business that remain unclaimed by the owner for more than one year after becoming payable are presumed abandoned. The bill would retain this provision but would apply it to unpaid wages greater than \$50, including wages represented by unrepresented payroll checks over \$50.

The Act provides for the disposition of escheated property, that is, tangible or intangible property that reverts to the State in the absence of legal owners or claimants because the owner died leaving no heirs, has disappeared, is missing for a continuous period of at least five years, or has abandoned the property. A person may file a claim for redemption of his or her property at any time (even after it has escheated to the State and been disposed of), and the State must keep property (or its equivalent in money) for potential claimants in perpetuity.

MCL 567.236

Legislative Analyst: George Towne

FISCAL IMPACT

Unclaimed property benefits the General Fund until claimed by the owner. By removing payroll checks of \$50 or less from the presumption of abandonment, the bill could reduce the amount deposited in the General Fund, which would reduce the amount earned on this money until it is claimed by the owners. In FY 2000-01, \$57.3 million in total unclaimed property reverted to the State and \$24.6 million was redeemed in claims by owners.

Date Completed: 11-27-02

Fiscal Analyst: Jessica Runnels