

Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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

Date Completed: 11-12-02

### **CONTENT**

The bill would amend the Uniform Unclaimed Property Act to exempt from the Act unpaid wages of \$100 or less owing in the ordinary course of the 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 the 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 \$100, including wages represented by unrepresented payroll checks greater than \$100.

MCL 567.236

### **BACKGROUND**

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.

Legislative Analyst: George Towne

### **FISCAL IMPACT**

Unclaimed property benefits the General Fund until claimed by the owner. Over the 33-month period from January 1, 1999, to September 30, 2001, the State collected approximately \$970,000 in unclaimed payroll checks for less than \$100. 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.

Fiscal Analyst: Jessica Runnels

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.