



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



BILL ANALYSIS

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

Senate Bill 1340 (as reported with amendment)
Sponsor: Senator Michael Switalski
Committee: Appropriations

CONTENT

The bill would amend the Uniform Unclaimed Property Act to do the following:

- Provide for unclaimed stock in a business association to be presumed abandoned if the owner of the interest did not claim a dividend or other distribution for over three years (rather than seven), and the business not know of the owner's location.
- Provide for the abandonment of stock enrolled in an automatic reinvestment plan if the owner had not communicated with the business for at least three (rather than 15) years regarding stock not enrolled in the plan; and at least three years had elapsed since the owner's location became unknown to the business.
- Require the Department of Treasury to publish, twice yearly in a newspaper of statewide circulation, the Department's website address and the number of unclaimed properties added to the website; and require the website to list the owners of unclaimed property. (Currently, the Department must publish a yearly list of the owners in the counties containing their last known address.)

Presently, stock or other intangible ownership interest in a business association (e.g., a private corporation, trust company, or partnership) is presumed abandoned if a dividend, distribution, or other sum payable as a result of the interest remains unclaimed by the owner for seven years; the owner, within the seven years, has not communicated with the business association regarding the interest or amount payable; and there have been at least seven dividends, distributions, or other sums paid during the seven-year period.

Under the bill, any stock, share, or other intangible ownership interest in a business association would be presumed abandoned if, for more than three years, the owner had not claimed a dividend, distribution, or other sum payable as a result of the interest, or had not communicated with the association regarding the interest or amount payable; and the association did not know the owner's location at the end of the three-year period.

MCL 567.239 et al.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

According to the Department of Treasury, in FY 2004-05 the bill would generate a one-time boost in revenue from unclaimed property of \$8.0 million, which would go into the General Fund/General Purpose budget. In addition, the cost to administer the program would decline by about \$0.8 million beginning in FY 2004-05, as a result of requiring greater use of Treasury's website to provide the public with lists of people who own unclaimed property, and much less use of publishing notices in newspapers to distribute this information.

Date Completed: 9-9-04

Fiscal Analyst: Jay Wortley

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Analysis available @ <http://www.michiganlegislature.org>

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