

Legislative Analysis



ESCHEATS ACT: COMMERCIAL TRANSACTIONS

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4563

Sponsor: Rep. Aric Nesbitt

Committee: Commerce

Complete to 5-16-11

A SUMMARY OF HOUSE BILL 4563 AS INTRODUCED 4-14-11

The Uniform Unclaimed Property Act establishes a system whereby the state becomes the perpetual custodian of abandoned or unclaimed property until the property owner claims the property (or the value of the property), which the property owner, or an heir, can do at any time. Under the act, many types of real and intangible property that are held by another entity are presumed abandoned if they remain unclaimed after a certain period of time. The applicable dormancy period varies by type of property. This is sometimes referred to as the escheats process.

House Bill 4563 would amend the act to stipulate that the act "does not apply to any property issued, held, due, or owing in any commercial transaction between two or more business associations or other business entities."

MCL 567.221 & 567.265

FISCAL IMPACT:

House Bill 4563 would have an indeterminate impact on state government. To the extent that the bill lowers unclaimed property collections from commercial transactions between two business associations or entities the bill would have a negative effect on annual Department of Treasury unclaimed property revenue from this source. Additional information will be provided when it becomes available.

Legislative Analyst: Chris Couch
Fiscal Analyst: Ben Gielczyk

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.