Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4563 (Substitute H-1 as passed by the House)
Sponsor: Representative Aric Nesbitt
House Committee: Commerce
Senate Committee: Economic Development

Date Completed: 6-29-11

CONTENT

The bill would amend the Uniform Unclaimed Property Act to exempt from the Act property in a transaction between business entities.

The Act specifies the conditions under which property is considered abandoned; provides for public notice of abandoned property; and provides for the disposition, sale, reclaiming, and reimbursement for sale of abandoned property. The Act creates a general presumption of abandonment of property that is held, issued, or owing in the ordinary course of business and remains unclaimed by the owner for more than three years. The Act also provides for the abandonment of specific types of property. Abandoned property must be delivered to the custody of the State, and subsequently may be claimed by the owner.

Under the bill, the Act would not apply to any property issued, held, due, or owing in any transaction between two or more business associations or other business entities.

Proposed MCL 567.257a

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would reduce State General Fund revenue by an unknown amount. Based on the May 2011 consensus revenue estimates, revenue related to unclaimed property is expected to total approximately $202.0 million in FY 2010-11 and $69.0 million in FY 2011-12, with $166.0 million of the FY 2010-11 revenue reflecting legislative changes adopted during 2010 to balance the FY 2010-11 budget. What portion of revenue from unclaimed property would be affected by the bill, including the effect on the one-time boost in FY 2010-11, is not known. However, if the bill affected 10% of the revenue, it would lower the General Fund by approximately $20.0 million in FY 2010-11 and by $7.0 million in FY 2011-12.

Fiscal Analyst: David Zin

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