



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

BILL ANALYSIS



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

House Bill 5577 (Substitute H-1 as passed by the House)
Sponsor: Representative Aric Nesbitt
House Committee: Commerce
Senate Committee: Economic Development

Date Completed: 6-13-12

CONTENT

The bill would amend the Uniform Unclaimed Property Act to limit to five years, rather than 10, the period during which the State Treasurer may begin an action or proceeding with respect to any duty of a holder of records of transactions between two or more associations. The bill also would limit to five years the period during which a holder of such records must maintain a record of the owner's name and last known address.

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.

An action or proceeding may not be commenced by the administrator (the State Treasurer) with respect to any duty of a holder under the Act more than 10 years after the duty arose. Under the bill, such an action or proceeding could not be commenced more than five years after the duty arose, for the holder of records of transactions between two or more "associations" as that term is defined under the Act. ("Holder" means a person who is in possession of property belonging to another, a trustee, or indebted to another on an obligation. "Association" means a business association, a public corporation, or any other commercial entity, including a sole proprietorship.)

The Act includes a reporting requirement for the holder of property presumed abandoned. A holder required to report as to any property for which it has obtained the last known address of the owner, must maintain a record of the name and last known address for 10 years. The bill would require a holder of records of transactions between two or more associations to maintain that information for five years.

MCL 567.250 & 567.252

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The Department of Treasury has estimated that the bill would reduce State General Fund revenue by approximately \$350,000 annually.

Fiscal Analyst: Elizabeth Pratt

S1112\s5577sa

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.