



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5283 (Substitute S-2 as reported)
Sponsor: Representative Michael Webber
House Committee: Tax Policy
Senate Committee: Finance

CONTENT

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

- Allow the State Treasurer to sell or otherwise provide unclaimed property account information to a "locator" for accounts that remained unclaimed for at least 24 months after the date payment or delivery was made if the value of the property were \$10,000 or more.
- Require a locator to register with the Department of Treasury, pay a \$1,200 fee, and renew the registration, with the fee, every four years.
- List what could be included in the unclaimed property account information, and require it to be in an electronic searchable format.
- Provide that a written agreement between a locator and an apparent owner of unclaimed property would be subject to a provision under which an agreement to pay compensation to recover property made within 24 months after the property is delivered or paid to the State Treasurer is unenforceable.

The bill would define "locator" as a person registered under the Act who locates owners of unclaimed property and enters into a written agreement with an owner to document entitlement to property and to locate, deliver, recover, or claim, or assist in locating, delivering, recovering, or claiming, property that is presumed abandoned, for compensation.

MCL 567.222 et al.

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would increase administrative expenses, increase State revenue, and have no impact on local government. The Department of Treasury would be required to register and provide information to locators, which would increase the administrative costs of operating the unclaimed property division. The costs would be supported by the \$1,200 four-year registration fees for locators. At this time, it is unknown if the fees alone would be sufficient to cover the additional administrative costs.

The bill would likely increase unclaimed property revenue, which is charged by the Department at a rate for 2.5 cents per record. If this revenue were to increase as a result of locators providing additional unclaimed property revenue, then the Department also could use that revenue to support the additional administrative costs. For the current fiscal year, escheats revenue, which is supported by unclaimed property revenue, is estimated to total \$4.77 million.

Date Completed: 6-8-16

Fiscal Analyst: Cory Savino

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Bill Analysis @ www.senate.michigan.gov/sfa

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