

Legislative Analysis



UNCLAIMED PROPERTY; STOCK & NOTIFICATION

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Senate Bill 1340 (S-1) as passed by the Senate

Sponsor: Senator Michael Switalski

House Committee: Appropriations

First Analysis (09-13-04)

SUMMARY OF SENATE BILL 1340(S-1) AS PASSED BY THE SENATE:

Senate Bill (SB) 1340 (S-1) would amend the Uniform Unclaimed Property Act to shorten the time period in which certain unclaimed property would be presumed abandoned and would alter the notification requirements. Specifically, this bill would do the following:

Provide that unclaimed stock in a business association be presumed abandoned if the owner did not claim a dividend or other distribution for over three years (instead of the current seven), and the business association does not know the location of the owner at the end of the three year period.

Provide that the abandonment of stock enrolled in an automatic reinvestment plan be presumed abandoned if the owner had not communicated with the business association for at least three years (instead of the current 15), and at least three years had elapsed since the owner's location became unknown to the business association.

Require the Department of Treasury to publish, twice each year in a newspaper that has statewide circulation, a notice that contains the Department's website address, telephone number, the number of new properties that have been added to the website, and a statement that the Department's website may be searched from a local public library. Under current law, the Department must annually publish a list of owners in the counties containing their last known address.

FISCAL IMPACT:

According to the Department of Treasury, SB 1340 would generate a one-time increase of an estimated \$8.0 million in General Fund/General Purpose (GF/GP) revenue in fiscal year (FY) 2004-05. In addition, administrative costs (due to reduced publishing expenses) would decline by an estimated \$0.8 million beginning in FY 2004-05.

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