

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 98 (Chairman, Judicial Proceedings Committee)
(Departmental - Comptroller)

Judicial Proceedings

Referred to Economic Matters

Abandoned Property - Aggregate Amounts

This amended departmental bill increases from \$50 to \$100 the threshold value of abandoned property for actions to be taken by holders of that property and the Comptroller. These required actions include the reporting of abandoned property and the reporting of property in the aggregate by the holders. The Comptroller need not mail a notice to persons appearing entitled to the property if it is valued at less than \$100.

This bill is effective July 1, 1996.

Fiscal Summary

State Effect: General fund revenues could increase by \$185,000 in fiscal 1997, increasing by approximately 3% in the out-years. Expenditures would not be affected.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	\$185,000	\$191,000	\$197,000	\$203,000	\$209,000
GF Expenditures	0	0	0	0	0
Net Effect	\$185,000	\$191,000	\$197,000	\$203,000	\$209,000

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: None.

Small Business Effect: The Office of the Comptroller has determined that this bill has minimal or no impact on small business (attached). Fiscal Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Fiscal Analysis

State Effect: General fund revenues will increase because there will be more unclaimed abandoned property. Holders of abandoned property with value between \$50 and \$100 will no longer have to identify these accounts by name, but can place them in an aggregate account. Owners will not receive notification that this property is theirs, and will therefore be more unlikely to claim the property. Unclaimed property is sold at auction by the Comptroller, the proceeds of which are credited to the general fund at the end of the fiscal year. If 25% of the current accounts claimed having a value between \$50 and \$100 continue to be claimed, revenues will increase by approximately \$150,000.

Additionally, because fewer persons appearing to be the owners of abandoned property will have to be notified, both through advertisements and through mailings from the Comptroller's Office, advertising and postage costs of \$35,000 will be saved. Because these costs are paid through a special fund which reverts to the general fund at the end of the fiscal year, these savings will also result in a general fund revenue increase.

The total revenue increase to the general fund through more unclaimed property and advertising and postage savings could be \$185,000 in fiscal 1997. This amount is estimated to increase 3% annually, primarily because of an increasing number of unclaimed property accounts.

Information Source(s): Office of the Comptroller (Compliance Division), Department of Fiscal Services

Fiscal Note History: First Reader - January 15, 1996
ncs Revised - Small Business Impact Statement Received -
January 19, 1996
Revised - Senate Third Reader - March 18, 1996

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