

HOUSE BILL 48

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14

1998 Regular Session
8r0235
CF 8r0991

(PRE-FILED)

By: **Delegates Kach, Donoghue, Barve, Goldwater, and Love**

Requested: August 14, 1997

Introduced and read first time: January 14, 1998

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law - Abandoned Property**

3 FOR the purpose of excluding from the definition of personal property that is subject
4 to the Maryland Uniform Disposition of Abandoned Property Act certain checks,
5 credits, and rebates that are issued or occur in the ordinary course of business;
6 limiting the period of time that may be covered by an examination under the
7 Act; altering the amount of the penalty for certain violations of the Act; and
8 generally relating to abandoned property.

9 BY repealing and reenacting, with amendments,
10 Article - Commercial Law
11 Section 17-101(m), 17-322(a), and 17-323(a)
12 Annotated Code of Maryland
13 (1990 Replacement Volume and 1997 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article - Commercial Law**

17 17-101.

18 (m) "Personal property" does not include:

19 (1) A gift certificate; [or]

20 (2) Credits in connection with the sale of consumer goods to a wholesaler
21 or retailer in the ordinary course of business;

22 (3) OUTSTANDING CHECKS OR CREDITS ISSUED TO VENDORS OR
23 COMMERCIAL CUSTOMERS IN THE ORDINARY COURSE OF BUSINESS;

24 (4) CREDIT BALANCES IN VENDOR OR COMMERCIAL CUSTOMER
25 ACCOUNTS THAT OCCUR IN THE ORDINARY COURSE OF BUSINESS; OR

1 (5) PURCHASE PRICE REBATES ISSUED TO CUSTOMERS IN THE
2 ORDINARY COURSE OF BUSINESS.

3 17-322.

4 (a) At reasonable times and on reasonable notice, the administrator may
5 examine the records of any person if there is reason to believe that the person has
6 failed to report property that should have been reported under this title. THE
7 ADMINISTRATOR MAY NOT EXAMINE THE RECORDS OF ANY PERSON REGARDING
8 ABANDONED PROPERTY AFTER 5 YEARS FROM THE DATE THE PERSON FILED THE
9 REPORT WITH THE ADMINISTRATOR COVERING THE PERIOD OF TIME DURING WHICH
10 THE PROPERTY ALLEGEDLY BECAME ABANDONED, UNLESS THE ADMINISTRATOR
11 FINDS THAT THE PERSON ACTED FRAUDULENTLY OR WITH GROSS NEGLIGENCE
12 WITH RESPECT TO THE REPORT.

13 17-323.

14 (a) Any person who fails to pay or deliver abandoned property to the
15 administrator as required by this title shall pay a penalty equal to [25] 15 percent of
16 the value of the property. If any person fails to file any report or refuses to deliver
17 property to the administrator as required by this title, the administrator may bring
18 an action in a court of appropriate jurisdiction to require the filing of the report and
19 to enforce delivery of the property.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 June 1, 1998.