

HOUSE BILL 48

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14

1998 Regular Session
8lr0235
CF 8lr0991

(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

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 10, 1998

CHAPTER _____

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]

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

3 (3) OUTSTANDING CHECKS OR CREDITS ISSUED TO VENDORS OR
4 COMMERCIAL CUSTOMERS IN THE ORDINARY COURSE OF BUSINESS, OTHER THAN
5 PROPERTY DESCRIBED IN § 17-301(A) OF THIS TITLE HELD BY A BANKING
6 ORGANIZATION OR FINANCIAL ORGANIZATION;

7 (4) CREDIT BALANCES IN VENDOR OR COMMERCIAL CUSTOMER
8 ACCOUNTS THAT OCCUR IN THE ORDINARY COURSE OF BUSINESS, OTHER THAN
9 PROPERTY DESCRIBED IN § 17-301(A) OF THIS TITLE HELD BY A BANKING
10 ORGANIZATION OR FINANCIAL ORGANIZATION; OR

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

13 17-322.

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

23 17-323.

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

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