

SENATE BILL 104

Unofficial Copy  
14

1998 Regular Session  
8lr0991  
CF 8lr0235

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By: **Senator Baker**

Introduced and read first time: January 19, 1998

Assigned to: Judicial Proceedings

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 11, 1998

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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]

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

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

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

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

11 17-322.

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

21 17-323.

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

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