

**Department of Legislative Services**  
 Maryland General Assembly  
 2002 Session

**FISCAL NOTE**

Senate Bill 107 (Chairman, Judicial Proceedings Committee)  
 (Departmental – Comptroller)

Judicial Proceedings

**Abandoned Property - Notification to Owners**

This departmental bill repeals the requirement that the Comptroller publish specified information regarding abandoned property in a newspaper of general circulation in the county within which the last known address of any owner of the abandoned property is located. The bill modifies the requirements of the written notification mailed to each owner of abandoned property. The bill also requires the Comptroller to conduct activities intended to locate owners of abandoned property, including public education and outreach.

The bill takes effect July 1, 2002.

**Fiscal Summary**

**State Effect:** Special fund expenditure decrease of approximately \$225,000 in FY 2003. Future year savings increase by 1% annually.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	(225,000)	(227,300)	(229,500)	(231,800)	(234,100)
Net Effect	\$225,000	\$227,300	\$229,500	\$231,800	\$234,100

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** The Comptroller of the Treasury has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

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## Analysis

**Current Law:** Persons holding funds or other tangible property presumed to be abandoned are required to report to the Comptroller with respect to the abandoned property. Within 180 days from the filing of this report, the Comptroller is required to cause notice to be published in a newspaper of general circulation in the county in the State within which is located the last known address of any person to be named in the notice. If an address is not listed or if the address is outside the State, the notice shall be published in the county within which the holder of the abandoned property has a principal place of business in the State.

The published notice is to be entitled “Notice of Names of Persons Appearing to Be Owners of Abandoned Property” and must contain: (1) the names in alphabetical order and last known addresses, if any, of persons listed in the report and entitled to notice in the county; (2) a statement that information concerning the amount or description of the property and the name and address of the holder may be obtained by any person who possesses an interest in the property, by addressing an inquiry to the Comptroller; and (3) a statement that if proof of claim is not presented by the owner to the holder and if the owner’s right to receive the property is not established to the holder’s satisfaction within 65 days from the date of the published notice, the abandoned property will be placed, not later than 85 days after the publication date, in the custody of the Comptroller, to whom all further claims then shall be directed.

The Comptroller is not required to publish in the notice any item valued at less than \$100 unless the Comptroller considers the publication to be in the public interest.

Within 120 days from the receipt of the report the Comptroller is required to mail a notice to each person who has an address listed in the report who appears entitled to property valued at \$100 or more and presumed abandoned. The mailed notice must contain: (1) a statement that, according to a report filed with the Comptroller, property is being held to which the addressee appears entitled; (2) the name and address of the person holding the property and any necessary information regarding any change of the name or address of the holder; and (3) a statement that if satisfactory proof of claim is not presented by the owner to the holder by the date specified in the published notice, the property will be placed in the custody of the Comptroller, to whom all further claims then shall be directed.

**Background:** The Comptroller’s Office advises that the notification of abandoned property in local newspapers has become less effective in recent years in locating owners of abandoned property. Also, the Comptroller has begun utilizing less expensive methods of outreach, including listing names on the Internet, matching information

against Internal Revenue Service and other files, and being present at the State Fair, county fairs, and various malls and other locations around the State.

**State Fiscal Effect:** The Comptroller has requested \$305,600 (special funds) in the fiscal 2003 budget for printing and advertising the abandoned property notice. By repealing the current notification requirement, more effective and less expensive methods could be utilized to find owners of abandoned property. The Comptroller estimates that approximately \$225,000 would be saved in fiscal 2003. It is estimated that these savings would increase by 1% annually.

Abandoned property revenue is special fund revenue from which administrative costs are paid. At the end of each fiscal year, the special fund reverts to the general fund. Because administrative costs would decrease, more funds from the sale of abandoned property would be available for the general fund at the end of each fiscal year.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Comptroller of the Treasury (Compliance Division),  
Department of Legislative Services

**Fiscal Note History:** First Reader - January 14, 2002  
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