

SENATE BILL 276

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2004 Regular Session
4r2121
CF 4r2122

By: **Senator Lawlah (Joint Committee on the Management of Public Funds)**
and Senators McFadden, Forehand, and Haines

Introduced and read first time: January 30, 2004

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law - Interest on Abandoned Property**

3 FOR the purpose of repealing certain provisions that require the administrator of
4 abandoned property to pay interest to certain claimants; and generally relating
5 to the payment of interest on abandoned property.

6 BY repealing
7 Article - Commercial Law
8 Section 17-314
9 Annotated Code of Maryland
10 (2000 Replacement Volume and 2003 Supplement)

11 BY repealing and reenacting, with amendments,
12 Article - Commercial Law
13 Section 17-319
14 Annotated Code of Maryland
15 (2000 Replacement Volume and 2003 Supplement)

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

18 **Article - Commercial Law**

19 [17-314.

20 (a) When property that was interest bearing to the owner on the date of
21 surrender by the holder is paid or delivered to the administrator, the administrator
22 shall pay an interest rate that is the lesser of:

23 (1) 5 percent; or

24 (2) A lesser rate that the property earned while in the possession of the
25 holder.

1 (b) If a claim to property under subsection (a) of this section is determined in
2 favor of the claimant, the administrator shall pay to the claimant the required
3 interest accrued for the period of time the administrator held the property, up to 5
4 years.

5 (c) Interest is not required to be paid under this section for any period before
6 July 1, 1981.]

7 17-319.

8 (a) (1) The administrator shall consider any claim filed under this title and
9 may hold a hearing and receive evidence concerning it.

10 (2) If a hearing is held, he shall prepare a finding and a decision in
11 writing on each claim filed, stating the substance of any evidence heard by him and
12 the reasons for his decision. The decision shall be a public record.

13 (b) If the claim is allowed, the administrator immediately shall make
14 payment. The claim shall be paid without deduction for costs of notices or sale or for
15 service charges.

16 (c) In satisfying a claim the administrator shall pay the claimant an amount
17 equal to the sales price obtained at the public sale [plus interest at the rate equal to
18 that earned by the State Treasurer each year on invested State funds].

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 July 1, 2004.