

SENATE BILL 276

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14

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

Committee Report: Favorable

Senate action: Adopted

Read second time: February 24, 2004

CHAPTER _____

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:

1

Article - Commercial Law

2 [17-314.

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

6 (1) 5 percent; or

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

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

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

15 17-319.

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

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

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

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

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