

Department of Legislative Services
 Maryland General Assembly
 2005 Session

FISCAL AND POLICY NOTE

House Bill 206

(Chairman, Economic Matters Committee)
 (By Request – Departmental – Comptroller)

Economic Matters

Judicial Proceedings

Office of the Comptroller - Abandoned Property - Publication of Notice

This departmental bill alters the reporting requirement pertaining to the advertisement in a newspaper of general circulation of the names of persons who have been reported to the Comptroller as having abandoned property. The Comptroller is required to publish the names of newly reported owners of property presumed abandoned within 365 days of the filing of the report by the holder of the abandoned property instead of within 180 days.

The bill takes effect July 1, 2005.

Fiscal Summary

State Effect: General fund expenditures could decrease by approximately \$100,000 annually beginning in FY 2006. No effect on revenues.

(in dollars)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Net Effect	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000

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

Local Effect: None.

Small Business Effect: The Comptroller’s Office has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: For persons other than insurance corporations, the required abandoned property report must cover the period of July 1 through June 30 and must be filed by

October 31 of that year. For insurance corporations, the period is January 1 through December 31 and must be filed by April 30. Within 180 days after the report's filing, the Comptroller must publish a notice in a newspaper naming the owner and holder of the property, and stating the means by which the owner may claim the property. The Comptroller must then mail a notice about the property to the owner's last known address. The property must be delivered or paid to the Comptroller, at which time the State takes custody of the property.

Background: State law requires the advertisement of abandoned property within 180 days of the filing of the report by the holder of the property. There are two reporting cycles by holders, one for insurance companies and another for all other holders of abandoned property. As a result, the Comptroller is required to advertise the names of owners added to the list twice a year. This advertising requirement is in addition to the requirement that the Comptroller mail out notices to owners of abandoned property within 120 days of receipt of the report filed by the holders.

State Fiscal Effect: The Comptroller is currently required to publish a notice of abandoned property holders in a general distribution newspaper once every 180 days, or twice a year. The current cost of publishing this notice twice a year is approximately \$300,000 per year. The bill reduces the number of notices required by the Comptroller to one per year. However, because the number of accounts is estimated to increase for each yearly notice, associated expenditures are only expected to decrease by one-third, as opposed to one-half. As a result, general fund expenditures are expected to decrease by approximately \$100,000 annually beginning in fiscal 2006.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Comptroller's Office, Department of Legislative Services

Fiscal Note History: First Reader - January 28, 2005
n/hlb

Analysis by: Michael Sanelli

Direct Inquiries to:
(410) 946-5510
(301) 970-5510