

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE
Revised

House Bill 813

(Delegate Heller, *et al.*) (Chair, Joint Committee on the
Management of Public Funds)

Appropriations

Budget and Taxation

State Checks - Electronic Publication of Payee Names

This bill authorizes the State Treasurer to electronically publish on the Treasurer's web site, at the end of each fiscal year, the names of payees of undeliverable and unrepresented checks that remain unclaimed or unrepresented for two years or more.

Fiscal Summary

State Effect: Potential minimal expenditure increase from the Undeliverable Checks Fund and the Unrepresented Checks Fund beginning in FY 2010. Revenues are not affected.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Checks that are issued by the State Treasurer and returned as undeliverable are cancelled and credited to the Undeliverable Checks Fund if the correct address of the payee cannot be located. Checks that are issued by the State Treasurer and remain unrepresented for two years are cancelled and credited to the Unrepresented Checks Fund. Checks in the Undeliverable Checks Fund and the Unrepresented Checks Fund are not subject to the Maryland Uniform Disposition of Abandoned Property Act, under which the Comptroller is directed to annually publish the names and last known addresses of owners of property turned over to the State as abandoned. The State

Treasurer is not authorized to post lists of payees of undeliverable or unrepresented checks on the Treasurer's web site.

At the end of each fiscal year, the State Treasurer must identify the checks that have been credited to each fund and remain unclaimed for two years. The State Treasurer must maintain a reasonable fund balance needed to honor each replacement check that may be issued against the funds. Any amount above what is considered a reasonable balance may be transferred to the State's general fund.

State Fiscal Effect: The fiscal 2009 year-end balances of the Undeliverable Checks Fund and the Unpresented Checks Fund are expected to be \$1.5 million and \$1.0 million, respectively. Allowing the State Treasurer to post the names of payees of undeliverable and unrepresented checks on the Treasurer's web site will provide an operational benefit, allowing a greater number of undeliverable and unrepresented checks to be reissued and paid to the payee. To the extent this occurs, special fund expenditures from the Underliverable Checks Fund and the Unpresented Checks Fund will increase due to additional payees receiving monies owed by the State.

Additional Information

Prior Introductions: None.

Cross File: SB 579 (Senator Jones, *et al.*) (Chair, Joint Committee on the Management of Public Funds) - Budget and Taxation.

Information Source(s): Maryland State Treasurer's Office, Department of Legislative Services

Fiscal Note History: First Reader - February 23, 2009
ncs/hlb Revised - House Third Reader - March 31, 2009

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