

HOUSE BILL 328

I1

11r0601

(PRE-FILED)

By: **Delegate Kerr**

Requested: September 15, 2020

Introduced and read first time: January 13, 2021

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Financial Institutions – Abandoned Property – Notice and Records**

3 FOR the purpose of requiring the holder of presumed abandoned property of a certain value
4 to send certain written notice to the apparent owner by certified mail, return receipt
5 requested, rather than by first-class mail; requiring the holder of abandoned
6 property of a certain value to keep records relating to that property for a certain
7 period of time; requiring that certain records be sufficient to allow a person who is
8 able to recover the abandoned property to establish a tax basis; making conforming
9 changes; and generally relating to abandoned property.

10 BY repealing and reenacting, with amendments,
11 Article – Commercial Law
12 Section 17–308.2 and 17–312
13 Annotated Code of Maryland
14 (2013 Replacement Volume and 2020 Supplement)

15 BY repealing and reenacting, without amendments,
16 Article – Commercial Law
17 Section 17–310
18 Annotated Code of Maryland
19 (2013 Replacement Volume and 2020 Supplement)

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

22 **Article – Commercial Law**

23 17–308.2.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(A)** Not more than 120 days or less than 30 days before the filing of the report
2 required under § 17–310 of this subtitle, the holder in possession of presumed abandoned
3 property shall send, **TO THE APPARENT OWNER’S LAST KNOWN ADDRESS**, a written
4 notice:

5 **(1) FOR PRESUMED ABANDONED PROPERTY VALUED AT \$100 OR**
6 **MORE BUT LESS THAN \$5,000**, by first–class mail [to the apparent owner of]; **OR**

7 **(2) FOR** presumed abandoned property valued at [~~\$100~~] **\$5,000** or more
8 [to the owner’s last known address informing], **BY CERTIFIED MAIL, RETURN RECEIPT**
9 **REQUESTED.**

10 **(B) THE WRITTEN NOTICE SHALL INFORM** the owner that:

11 (1) The holder is in possession of property subject to the provisions of this
12 title; and

13 (2) The property will be considered abandoned unless the owner responds
14 within 30 days of the notification to the holder.

15 17–310.

16 (a) Every person holding funds or other tangible or intangible property presumed
17 abandoned under this subtitle shall report to the Administrator with respect to the property
18 as provided in this section.

19 (b) The report shall be made under oath and shall include:

20 (1) The name, if known, and last known address, if any, of each person who
21 appears from the records of the holder to be the owner of any property valued at \$100 or
22 more and presumed abandoned under this subtitle;

23 (2) In case of unclaimed funds of an insurance corporation, the full name
24 of the insured, annuitant, principal, or claimant, and the last known address according to
25 the insurance corporation’s records;

26 (3) The nature and identifying number, if any, or description of the
27 property and the amount which appears from the records to be due, except that items
28 valued at less than \$100 each may be reported in the aggregate;

29 (4) The date when the property became payable, demandable, or
30 returnable, and the date of the last transaction with the owner with respect to the property;
31 and

32 (5) Any other information which the Administrator prescribes by rule as
33 necessary for the administration of this title.

1 (c) If the person holding property presumed abandoned is a successor to any other
2 person who previously held the property for the owner, or if the holder has changed his
3 name while holding the property, the person shall file with the report all prior known
4 names and addresses of each holder of the property.

5 (d) The report shall be for the period of July 1 through June 30 of each year and
6 filed no later than October 31 of that year. However, the reporting period for an insurance
7 corporation shall be from January 1 through December 31 of each year and the report shall
8 be filed no later than April 30 of the following year. The Administrator may postpone the
9 reporting date on the written request of any person required to file a report.

10 (e) Verification, if made by a partnership, shall be executed by a partner; if made
11 by an unincorporated association or private corporation, by an officer; and if made by a
12 public corporation, by its chief fiscal officer.

13 17-312.

14 (A) Every person who has filed a report as provided in § 17-310 of this subtitle,
15 at the time of the filing of the report, shall pay or deliver to the Administrator all abandoned
16 property specified in the report.

17 (B) (1) A HOLDER SHALL KEEP ACCURATE RECORDS RELATING TO
18 ABANDONED PROPERTY VALUED AT \$5,000 OR MORE FOR AT LEAST 3 YEARS AFTER
19 THE HOLDER HAS PAID OR DELIVERED THE ABANDONED PROPERTY TO THE
20 ADMINISTRATOR.

21 (2) THE RECORDS SHALL BE SUFFICIENT TO ALLOW A PERSON WHO
22 IS ABLE TO RECOVER THE ABANDONED PROPERTY TO ESTABLISH A TAX BASIS.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 October 1, 2021.