

MAINE STATE LEGISLATURE

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L.D. 1056

(Filing No. H- 154)

STATE OF MAINE
HOUSE OF REPRESENTATIVES
111TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 816,
L.D. 1056, Bill, "AN ACT to Amend Maine's Abandoned
Property Law."

Amend the Bill by inserting after the enacting
clause the following:

'Sec. 1. 33 MRSA §1303, sub-§2, ¶¶D and E, as
enacted by PL 1977, c. 707, §8, are amended to read:

D. No address of the owner appears on the
records of the holder and the domicile of the
holder is not within the State, but it is proved
that the last known address of the owner is in
the State; ~~or~~

E. If the intangible property is a sum payable
on a money order, traveler's check or similar
written instrument, and:

(1) The instrument was purchased within the
State, as shown by the records of the
holder;

(2) The place of purchase of the instrument
is not shown in the records of the holder
and the holder's principal place of business
is within the State; or

(3) The place of purchase of the instru-
ments, as shown by the records of the
holder, is within a jurisdiction, the laws
of which do not provide for the escheat or
custodial taking of the property, and the
holder's principal place of business is
within the State; i

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1 Sec. 2. 33 MRSA §1303, sub-§2, ¶¶F and G are
2 enacted to read:

3 F. The holder is domiciled in this State and has
4 not previously paid the property to the state of
5 the last known address of the apparent owner; or

6 G. The holder is domiciled in this State and the
7 last known address of the apparent owner, as
8 shown on the records of the holder, is in a for-
9 foreign nation.'

10 Further amend the Bill in section 1, in that part
11 designated "§1304.", in subsection 1, paragraph B, by
12 striking out in the 2nd line (page 2, line 5 in L.D.)
13 the word "nor" and inserting in its place the word
14 'ner'.

15 Further amend the Bill in section 1, in that part
16 designated "§1304.", in subsection 1, paragraph C, by
17 striking out in the last line (page 2, line 13 in
18 L.D.) the punctuation "." and inserting in its place
19 the the following: '=; nor'

20 Further amend the Bill in section 1, in that part
21 designated "§1304." in subsection 1 by inserting
22 after paragraph C the following:

23 'D. Had a transfer, disposition of interest or
24 other transaction noted of record in the books or
25 records of the holder.'

26 Further amend the Bill by inserting after section
27 9 the following:

28 'Sec. 10. 33 MRSA §1316 is enacted to read:

29 §1316. Recovery of property by another state

30 At any time property has been paid or delivered
31 to the Treasurer of State under this chapter, another

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1 state is entitled to recover the property, if:

2 1. Address unknown. The property escheated to
3 this State, under section 1303, subsection 2, para-
4 graph D, because the last address of the apparent
5 owner is unknown, and the last known address of the
6 apparent owner was in fact in the other state and,
7 under the laws of that state, the property escheated
8 to that state; or

9 2. Unclaimed by state of apparent owner. The
10 property escheated to this State, under section 1303,
11 subsection 2, paragraph F, because it was unclaimed
12 by the state of the last known address of the appar-
13 ent owner and, under the laws of that state, the
14 property escheated to or was subject to the custodial
15 taking of that state.

16 Sec. 11. 33 MRSA §1357, sub-§1, as enacted by PL
17 1977, c. 707, §8, is amended to read:

18 1. Sale by auction. All abandoned property,
19 other than money or securities or other property sold
20 under subsection 2 or tangible property retained
21 under subsection 3, delivered to the Treasurer of
22 State under this chapter shall, within ~~one~~ year 3
23 years after delivery, be sold by him to the highest
24 bidder at public sale in whatever city in the State
25 affords, in his judgment, the most favorable market
26 for the property involved. The Treasurer of State may
27 decline the highest bid and reoffer the property for
28 sale if he considers the price bid insufficient. He
29 need not offer any property for sale if, in his opin-
30 ion, the probable cost of sale exceeds the value of
31 the property.

32 Each sale shall be preceded by a single publication
33 of notice of the sale at least 3 weeks in advance in
34 2 newspapers of general circulation in the State.'

35 Further amend the Bill by inserting at the end
36 before the statement of fact the following:

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1 'Sec. 11. 33 MRSA §1364, sub-§1, as enacted by
2 PL 1977, c. 707, §8, is amended to read:

3 1. Limit on fees. No agreement entered into
4 within ~~one year~~ 2 years after a report is filed under
5 section 1351 is valid if any person thereby under-
6 takes to locate property included in that report for
7 a fee or compensation exceeding 15% of the value of
8 recoverable property; ~~unless the agreement.~~ After
9 this period, compensation may exceed the 15% limita-
10 tion if the agreement:

11 A. Is in writing and signed by the property
12 owner;

13 B. Discloses the nature and value of the prop-
14 erty; and

15 C. Discloses the name and address of the
16 holder.'

17 Further amend the Bill by renumbering the sec-
18 tions to read consecutively.

19 FISCAL NOTE

20 The Treasurer of State estimates a one-time
21 increase of \$250,000 in revenue to the General Fund
22 as a result of this amendment. Earlier assertion of
23 state custody over property such as bank deposits may
24 result in lower service charges, and therefore higher
25 balances being forwarded to the owner or to the
26 State.

27 STATEMENT OF FACT

28 This amendment does the following:

29 1. Adds paragraph F to Title 33, section 1303,
30 subsection 2, to enable the State to escheat property

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1 of owners whose last known address is out of the
2 State and the holder domiciled in this State fails to
3 report and pay the property to the appropriate state.
4 This will protect the interest of people doing busi-
5 ness in Maine;

6 2. Adds paragraph G to Title 33, section 1303,
7 subsection 2, to enable the State to escheat property
8 of owners whose last known address is a foreign coun-
9 try;

10 3. Adds paragraph D to Title 33, section 1304,
11 subsection 1, to incorporate a provision similar to
12 that in Massachusetts law which clarifies that bank
13 deposits and similar instruments are not presumed
14 abandoned if the owner has other transactions with
15 the financial institution within the 5-year period.
16 This would encourage banks to unite customers having
17 active accounts with their inactive accounts;

18 4. Enacts Title 33, section 1316 to render con-
19 stitutional the escheat of property of owners whose
20 last known address is in another state by making the
21 property available to the other state;

22 5. Amends Title 33, section 1357, subsection 1,
23 to extend the period the Treasurer of State has in
24 which to dispose of certain property from one year to
25 3 years. This allows the Treasurer of State a
26 greater period of time to attempt to reunite an owner
27 with abandoned property before it is converted to
28 cash. Because the language is permissive in the
29 3-year period, the Treasurer of State could still
30 dispose of property earlier if it is necessary or
31 desirable to do so;

32 6. Amends Title 33, section 1364, subsection 1,
33 to further limit excessive finders' fees; and

34 7. Provides a fiscal note.

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