

MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
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5 Legislative Document

No. 1689

6
7 H.P. 1192

House of Representatives, December 19, 1985

8 Approved for introduction by a majority of the Legislative Council
9 pursuant to Joint Rule 26.

10 Received by the Clerk of the House on December 19, 1985. Referred to
the Committee on Business and Commerce and 1,600 and ordered printed
pursuant to Joint Rule 14.

EDWIN H. PERT, Clerk

11 Presented by Representative Brannigan of Portland.

12 STATE OF MAINE
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14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-SIX
16

17 AN ACT to Amend Maine's Abandoned Property
18 Law.
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20 Be it enacted by the People of the State of Maine as
21 follows:

22 Sec. 1. 33 MRSA §1304, sub-§1, ¶C, as amended by
23 PL 1983, c. 211, §3, is repealed and the following
24 enacted in its place:

25 C. Otherwise indicated an interest in the depos-
26 it, shares or claim as evidenced by a writing on
27 file with the holder; nor

28 Sec. 2. 33 MRSA §1312, sub-§1, as amended by PL
29 1983, c. 211, §11, is further amended to read:

30 1. Property. Any cash or sums payable on a writ-
31 ten instrument not otherwise covered in this chapter,
32 and all other personal tangible and intangible prop-
33 erty with a fair market value of \$1,000 or more not
34 otherwise covered in this chapter, that is held or

1 owing in the ordinary course of the holder's business
2 shall be presumed abandoned if it has not been
3 claimed within 5 years after becoming payable ~~or~~,
4 distributable or abandoned.

5 Sec. 3. 33 MRSA §1352, sub-§1, as amended by PL
6 1979, c. 641, §12, is further amended to read:

7 1. Publication. Within 120 days of the filing of
8 the report required by section 1351, the Treasurer of
9 State shall cause to be published in at least 2 news-
10 papers of general circulation in the State, at least
11 once a week for 2 consecutive weeks, or utilizing a
12 Sunday newspaper of statewide distribution for 2 con-
13 secutive weeks, or equivalent, a notice and listing
14 of all abandoned property reported to him.

15 Sec. 4. 33 §1352, sub-§2, ¶B, as enacted by PL
16 1977, c. 707, §8, is amended to read:

17 B. ~~The amount or description of the property and~~
18 ~~the names and address of the holder; and~~

19 Sec. 5. 33 MRSA §1358, sub-§2, ¶B, as enacted by
20 PL 1977, c. 707, §8, is further amended to read:

21 B. At the end of each year or more often, the
22 Treasurer of State shall transfer to the General
23 Fund all money in the Abandoned Property Fund
24 that is in excess of ~~\$50,000~~ \$150,000.

25 Sec. 6. 33 MRSA §1360, sub-§4 is enacted to
26 read:

27 4. Domiciled holder's records maintained out-
28 of-state. If a domiciled holder does not maintain
29 its records in the State, the Treasurer of State may
30 order that the records be made available for his in-
31 spection in the State or, under appropriate circum-
32 stances, he may order the holder to pay the transpor-
33 tation costs, lodging and other necessary expenses
34 for the examiner or examiners assigned to perform the
35 scheduled examination if it is to be performed out-
36 side of the State.

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STATEMENT OF FACT

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This bill amends the Maine Revised Statutes, Title 33, chapter 27, in order to close loopholes and to increase the administrative authority of the Treasurer of State in the enforcement and the administration of the program.

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Section 1. Holders' policies vary from one institution to the other as to whether interest is credited to small savings accounts, therefore, United States Internal Revenue Service Forms 1099 are not being mailed. Few, if any, maintain records of the United States Internal Revenue Service Form 1099 being sent, yet holders are using the Maine Revised Statutes, Title 33, section 1304, as a tool not to report these abandoned savings accounts and, although they are not escheatable according to the present law, the holders still consider them dormant and continue to service charge them out of existence.

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Section 2. This catch-all section, the Maine Revised Statutes, Title 33, section 1312, is most confusing to some holders who fall in this category. This section removes the fair market value factor and addresses both tangible and intangible property reportable under this chapter not otherwise covered.

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Sections 3 and 4. The changes to the Maine Revised Statutes, Title 33, section 1352, reduce the size of the advertisement and minimize the interest of heir finders until the owner has had a chance to react to the advertisement. Our advertizing costs are substantial and will keep rising as more property is being reported as a result of our examinations. This section will help reduce the cost, but will not reduce the effectiveness of the advertisement for the owner of the abandoned property.

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Section 5. The abandoned property program has experienced a drastic increase of abandoned property reported and paid in fiscal year 1984 from a yearly average of \$330,000 to \$1,800,000. This also results in paying more claims. Due to the reporting dates, advertizing requirements and a waiting period from the date of the advertisement to the remittance date,

1 a cash flow problem exists from July 1st to March 1st
2 of the following year. This section increases the
3 balance which may be retained from \$50,000 to
4 \$150,000.

5 Section 6. This section, the Maine Revised Stat-
6 utes, Title 33, section 1360, subsection 4, gives the
7 Treasurer of State the authority to ask domiciled
8 holders, whose records are located out-of-state, to
9 make those records available for examination or to
10 make the holder pay for the transportation costs,
11 lodging, meals and other necessary expenses of the
12 examiner while in travel status out-of-state so that
13 they may perform the assigned examination of these
14 holders.

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