

MAINE STATE LEGISLATURE

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M
R. O. S.

L.D. 1155

DATE: 5/5/99

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
119TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 832, L.D. 1155, Bill, "An Act to Amend the Laws Regarding Abandoned Property"

Amend the bill in section 1 in paragraph E by striking out all of subparagraphs (1) to (3) (page 1, lines 17 to 31 in L.D.) and inserting in their place the following:

'(1) In the case of a time deposit that is automatically renewable and whose term is longer than one year, at the date of maturity following the 5th renewal of the deposit after the last indication of interest by the owner; and

(2) In the case of a deposit for the benefit of a minor, the later of 5 years after the last indication of interest by the owner or the date on which the minor reaches 18 years of age;'

Further amend the bill by striking out all of section 2 and inserting in its place the following:

'Sec. 2. 33 MRSA §1953, sub-§1, ¶¶N and O, as enacted by PL 1997, c. 508, Pt. A, §2 and affected by §3, are amended to read:

N. Property in an individual retirement account, defined benefit plan or other account or plan that is qualified for tax deferral under the income tax laws of the United States, including property described in this subsection, 3 years after the earliest of the date of the distribution

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2 or attempted distribution of the property, the date of the
3 required distribution as stated in the plan or trust
4 agreement governing the plan or the date, if determinable by
5 the holder, specified in the income tax laws of the United
6 States by which distribution of the property must begin in
7 order to avoid a tax penalty; and

8 O. All other property, 5 years after the owner's right to
9 demand the property or after the obligation to pay or
10 distribute the property arises, whichever first occurs; and

12 **Sec. 3. 33 MRSA §1953, sub-§1, ¶P** is enacted to read:

14 P. Notwithstanding paragraph E, property contained in a
15 prearranged funeral or burial plan described in Title 32,
16 section 1401, including deposits containing funds from such
17 a plan, 3 years after the death of the person on whose
18 behalf funds were paid into the plan.'

20 Further amend the bill in section 4 by striking out all of
21 paragraph E (page 2, lines 16 to 19 in L.D.) and inserting in its
22 place the following:

24 'E. For deposits in which the apparent owner has another
25 relationship or account with the holder:

26 (1) The fact that the apparent owner has indicated an
27 interest with respect to the other relationships or
28 accounts; or

29 (2) The fact that there is a memorandum or other
30 record on file prepared by the holder indicating that
31 the holder has communicated in writing with the
32 apparent owner with regard to the deposit at the
33 address to which communication regarding the other
34 relationships or deposits are regularly sent.'
35

36
38 Further amend the bill in section 5 in that part designated
39 "**§1956.**" in the first paragraph in the 6th and 7th lines (page 2,
40 lines 31 and 32 in L.D.) by striking out the following: "~~which~~
41 ~~is not regularly reversed or otherwise canceled~~" and inserting in
42 its place the following: ', which is not regularly reversed or
43 otherwise canceled'

44
45 Further amend the bill in section 5 in that part designated
46 "**§1956.**" in the first paragraph in the 9th line (page 2, line 34
47 in L.D.) by striking out the following: "not related to" and
48 inserting in its place the following: 'in lieu of those fees or
49 charges related to'
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2 Further amend the bill by relettering or renumbering any
nonconsecutive Part letter or section number to read
consecutively.

4
6 Further amend the bill by inserting at the end before the
summary the following:

8
10 **FISCAL NOTE**

12 The Office of the Treasurer of State will incur some minor
additional costs to administer the changes regarding abandoned
property. Transfers from the Abandoned Property Fund to General
Fund revenue are not expected to be affected by these changes.'

16
18 **SUMMARY**

20 This amendment makes the following changes to the bill.

22 1. It replaces the provisions concerning the time period
since a holder of property last received an indication of
interest by an owner, after which deposits are presumed abandoned
by the owner.

26 A. For a time deposit that is automatically renewable and
whose term is longer than one year, the deposit is presumed
abandoned by the owner at the date of maturity following the
5th renewal of the deposit.

30 B. For a deposit for the benefit of a minor, the time
period is the longer of 5 years or the time the minor
reaches 18 years of age.

34 C. For prearranged funeral or burial plans, the period ends
36 3 years after the death of the person on whose behalf the
funds were paid into the plan.

38 2. It clarifies what constitutes "indication of interest"
40 by an owner when the apparent owner has more than one
relationship or account with the holder, such as a bank. The
42 holder can infer as an indication of interest the fact that the
apparent owner has another active account or the fact that the
44 holder has sent communications related to the deposit to the same
address where communications related to the other accounts are
46 regularly sent.

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2 3. It clarifies that certain inactivity fees assessed
against an account prior to the time it is presumed abandoned may
be deducted from the property escheated to the State.

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4. It adds a fiscal note to the bill.