

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 1155

H.P. 832

House of Representatives, February 9, 1999

An Act to Amend the Laws Regarding Abandoned Property.

Reference to the Committee on Judiciary suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative MAYO of Bath.
Cosponsored by Senator ABROMSON of Cumberland and
Representatives: BUMPS of China, MADORE of Augusta, McALEVEY of Waterboro,
NUTTING of Oakland.

Be it enacted by the People of the State of Maine as follows:

2
3 **Sec. 1. 33 MRSA §1953, sub-§1, ¶E**, as enacted by PL 1997, c.
4 508, Pt. A, §2 and affected by §3, is amended to read:

6 E. A demand, savings or time deposit, ~~including a deposit~~
7 ~~that is automatically renewable,~~ 5 years after the earlier
8 of maturity or the date of the last indication by the owner
9 of interest in the property, ~~but a deposit that is~~
10 ~~automatically renewable is deemed matured for purposes of~~
11 ~~this section upon its initial date of maturity, unless the~~
12 ~~owner has consented to a renewal at or about the time of the~~
13 ~~renewal and the consent is in writing or is evidenced by a~~
14 ~~memorandum or other record on file with the holder.~~ In the
15 case of certain types of deposits, the following rules apply:

16 (1) In the case of a deposit that is automatically
17 renewable, the earlier of 20 years after the date of
18 the last indication of interest by the owner or 5 years
19 after the date of maturity following written notice by
20 the owner of an intent not to renew the deposit;

21 (2) In the case of a deposit for a mortuary trust
22 account, 5 years after the last indication of interest
23 by the owner following the date on which the owner
24 reaches 70 years of age; and

25 (3) In the case of a demand or savings account for the
26 benefit of a minor 5 years after the last indication of
27 interest by the owner following the date on which the
28 minor arrives at the age of majority;

29 **Sec. 2. 33 MRSA §1953, sub-§1, ¶N**, as enacted by PL 1997, c.
30 508, Pt. A, §2 and affected by §3, is amended to read:

31 N. Property in an individual retirement account, defined
32 benefit plan or other account or plan that is qualified for
33 tax deferral under the income tax laws of the United States,
34 including property described in this subsection, 3 years
35 after the earliest of the date of the distribution or
36 attempted distribution of the property, the date of the
37 required distribution as stated in the plan or trust
38 agreement governing the plan or the date, if determinable by
39 the holder, specified in the income tax laws of the United
40 States by which distribution of the property must begin in
41 order to avoid a tax penalty; and

42 **Sec. 3. 33 MRSA §1953, sub-§4, ¶C and D**, as enacted by PL
43 1997, c. 508, Pt. A, §2 and affected by §3, are amended to read:
44
45
46

2 C. The making of a deposit to or withdrawal from a bank
account; and

4 D. The payment of a premium with respect to a property
6 interest in an insurance policy; but the application of an
automatic premium loan provision or other nonforfeiture
8 provision contained in an insurance policy does not prevent
a policy from maturing or terminating if the insured has
10 died or the insured or the beneficiary of the policy has
otherwise become entitled to the proceeds before the
12 depletion of the cash surrender value of a policy by the
application of those provisions; and

14 **Sec. 4. 33 MRSA §1953, sub-§4, ¶E** is enacted to read:

16 E. When the holder has sent a document by mail to the owner
18 at the last known address related to the property, the fact
that the document was not returned to the holder as
undeliverable.

20 **Sec. 5. 33 MRSA §1956**, as enacted by PL 1997, c. 508, Pt. A,
22 §2, and affected by §3, is amended to read:

24 **§1956. Dormancy charge**

26 A holder may deduct from property presumed abandoned a
charge imposed by reason of the owner's failure to claim the
28 property within a specified time only if there is a valid and
enforceable written contract between the holder and the owner
30 under which the holder may impose the charge and the holder
regularly imposes the charge, ~~which is not regularly reversed or~~
32 ~~otherwise canceled.~~ The amount of the deduction is limited to an
amount that is not unconscionable. Nothing in this section
34 prevents the holder from deducting fees or charges not related to
the owner's failure to claim the property within a specified
36 period of time when such fees or charges are deducted from the
property before the date the property is presumed abandoned.

38
40 **SUMMARY**

42 This bill amends the State's Uniform Unclaimed Property Act
as it applies to automatically renewable deposit accounts. The
44 bill also clarifies that deposit accounts that are IRAs or part
of benefit plans are deemed abandoned according to the rules
46 specifically related to IRAs benefit plans. In addition, the
bill clarifies that fees properly assessed before the date of
48 abandonment are not required to be refunded upon escheat to the
State.

50