



Senate Fiscal Agency
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Senate Bill 125 (Substitute S-3 as passed by the Senate)
Sponsor: Senator Tom Barrett
Committee: Families, Seniors and Veterans

Date Completed: 12-27-19

CONTENT

The bill would amend the Uniform Unclaimed Property Act to do the following:

- **Specify that the provisions that modified the dormancy periods in a previous Public Act would not apply if the property owner were on active duty military service instead of an active duty military service outside of the United States.**
- **Delete a requirement that a report pertaining to unclaimed property for the contents of a safe deposit box or other safekeeping repository or of other tangible property include the place where the property is held and that it may be inspected by the Administrator and any amounts owing to the holder.**
- **Modify the date by which a report pertaining to unclaimed property would have to be filed.**
- **Modify the process by which a filing date of a report pertaining to unclaimed property could be extended.**

Under the Act, the provisions of Public Act 197 of 2010 that modified the dormancy period do not apply if the owner of the property is on active duty military service outside the United States. Under the bill, this would apply if the owner of the property were on active duty military service. (Public Act 197 of 2010 generally reduced, from five years to three years, the dormancy periods before unclaimed property must be turned over (escheat) to the State.)

The Act specifies that a person holding property presumed abandoned and subject to the State's custody as unclaimed property must report to the Administrator concerning the property. ("Administrator" means the State Treasurer.) The report must be verified and must include the following information:

- The name, if known, social security number, if known, and last known address, if any, of each person appearing from the records of the holder to be the owner of property of the value of \$50 or more presumed abandon under the Act.
- For unclaimed funds of \$50 or more held or owing under any life or endowment insurance policy or annuity contract, the full name and last known address of the insured or annuitant and of the beneficiary according to the records of the insurance company holding or owning the funds.
- The nature and identifying number, if any, or description of the property and the amount appearing from the records to be due; however, items of value under \$50.00 each may be reported in the aggregate.
- The date the property became payable, demandable, or returnable, and the date of the last transaction with the apparent owner with respect to the property.
- Other information the Administrator requires by rule as necessary for the administration of the Act.

In addition, the report must include, for the contents of a safety deposit box or other safekeeping repository or of other tangible property, a description of the property and the place where it is held and may be inspected by the Administrator and any amounts owing to the holder. Under the bill, instead, the report would have to include, for the contents of a safety deposit box or other safekeeping repository or of other tangible property, a description of the property.

The Act also specifies that, generally, the report must be filed on or before November 1 of each year for the 12-month period ending on the immediately preceding June 30. For years ending after December 31, 2011, the report must be filed on or before July 1 of each year for the 12-month period ending on the immediately preceding March 31. The bill would require the report to be filed on or before July 1 of each year for the 12-month period ending on the immediately preceding March 31.

The Administrator may extend the filing date for up to 60 days after the deadline if an estimated payment is paid on or before the deadline for the applicable period. Remittance of an estimated payment without a report on or before the deadline must be considered a request for extension. A request for extension of time to file the report is not a request for an extension of time to remit payment. Interest and penalties will not accrue during the extension period against a person who remits an estimated payment. The Administrator must determine how estimated payments are to be remitted. The bill would delete this provision and, instead, would allow the Administrator to extend the filing date for up to 60 days on written request.

MCL 567.238

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Cory Savino

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.