



Senate Fiscal Agency  
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## BILL ANALYSIS



Telephone: (517) 373-5383  
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House Bill 5339 (Substitute S-3 as reported)  
House Bill 5340 (Substitute S-2 as reported)  
Sponsor: Representative Michael Webber (H.B. 5339)  
Representative Wendell L. Byrd (H.B. 5340)  
House Committee: Regulatory Reform  
Ways and Means  
Senate Committee: Regulatory Reform

**CONTENT**

House Bill 5339 (S-3) would amend the Uniform Unclaimed Property Act to do the following:

- Require the State Treasurer to provide, upon written request, all unclaimed property account information to a locator for all unclaimed accounts for abandoned property for at least 12 months after the date payment or delivery was made.
- Prohibit the State Treasurer from charging more than \$250 for each request.
- Require the State Treasurer to provide the unclaimed property account information in a searchable electronic or digital format and require the account information to include certain specified information.
- Require the State Treasurer to make payment to the owner unless, if requested by the owner, the State Treasurer would have to mail payment to the locator's address.

House Bill 5340 (S-2) would amend the Uniform Unclaimed Property Act to do the following:

- Specify that an agreement to pay compensation to recover or assist in the recovery of unclaimed property within 12 months after the date payment or delivery was made would be enforceable unless waived by the owner in writing.
- Specify that an agreement that compensation to be paid by the owner to the locator to recover or assist in the recovery of unclaimed property could not exceed 25% of the amount of the claim provided by the State Treasurer.

MCL 567.256a (H.B. 5339)  
567.526 (H.B. 5340)

Legislative Analyst: Stephen Jackson

**FISCAL IMPACT**

The bills would have an indeterminate fiscal impact on the Department of Treasury and the General Fund. The Department would experience additional costs to provide additional information on all unclaimed property to locators instead of only property whose value exceeds \$10,000. Additional costs would include personnel to process the information and requests from locators, fraud detection, and information technology costs. It is currently unknown how many locators would request the additional information, but the costs to set up and maintain the system likely would be significant.

The \$250 fee per request likely would offset some of the costs, but the total amount of potential fee revenue is unknown because the number of locators is unknown, as is the level

of interest in this information. The net costs would depend on the number of new requests made. It is possible that the amount of new fee revenue could be insufficient to offset the amount of new costs, particularly one-time costs. Costs not covered by the new fee revenue could be covered by making fewer deposits to the General Fund from proceeds for the sale of abandoned properties. If the Department used more sale proceeds for administration, it would have a negative fiscal impact on the General Fund

The bills likely would increase the amount of unclaimed properties claimed either by claimants or locators. This could increase the amount of sales made, which would increase the amount deposited into the General Fund. It is unknown if this increase would be enough to offset the new costs.

Date Completed: 9-9-20

Fiscal Analyst: Cory Savino