UNIFORM UNCLAIMED PROPERTY ACT

Act 29 of 1995

AN ACT concerning unclaimed property; to provide for the reporting and disposition of unclaimed property; to make uniform the law concerning unclaimed property; to prescribe the powers and duties of certain state agencies and officials; to prescribe penalties and provide remedies; and to repeal acts and parts of acts.

History: 1995, Act 29, Eff. Mar. 28, 1996

The People of the State of Michigan enact:

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567.221 Short title.

Sec. 1.

This act shall be known and may be cited as the "uniform unclaimed property act".

History: 1995, Act 29, Eff. Mar. 28, 1996

567.222 Definitions.

Sec. 2.

As used in this act, unless the context otherwise requires:

(a) "Administrator" means the state treasurer.

(b) "Apparent owner" means the person whose name appears on the records of the holder as the person entitled to property held, issued, or owing by the holder.

(c) "Attorney general" means the department of attorney general.

(d) "Banking organization" means a bank, trust company, savings bank, industrial bank, land bank, safe deposit company, private banker, or any organization defined by law as a bank or banking organization.

(e) "Business association" means a nonpublic corporation, joint stock company, investment company, business trust, partnership, or association for business purposes of 2 or more individuals, whether or not for profit, including a banking organization, financial organization, insurance company, or utility.

(f) "Domicile" means the state of incorporation of a corporation and the state of the principal place of business of an unincorporated person.

(g) "Eligible holder" means a holder that meets 1 or more of the following:

(i) Is a business whose principal place of business is in this state as evidenced by 20% or more of its payroll or 20% or more of its real and tangible personal property, except inventory, owned or rented in this state during the period subject to examination or the majority of officers that direct, control, and coordinate the activities of the business are employed in this state.

(ii) Is a corporation that wholly owns a corporation that has incorporated in this state and the corporation incorporated in this state meets the criteria under subparagraph (i).

(iii) Is a corporation that is wholly owned by a corporation that is incorporated in this state and the corporation incorporated in this state meets the criteria under subparagraph (i).

(h) "Financial organization" means a savings and loan association, cooperative bank, building and loan association, savings bank, or credit union.

(i) "Holder" means a person, wherever organized or domiciled, who is 1 or more of the following:

(i) In possession of property belonging to another.

(ii) A trustee.

(iii) Indebted to another on an obligation.

(j) "Insurance company" means an individual, association, corporation, fraternal or mutual benefit organization, or any other legal entity, whether or not for profit, that is engaged or attempting to engage in the business of making insurance or surety contracts.

(k) "Intangible property" includes all of the following:

(i) Money, checks, drafts, deposits, interest, dividends, and income.

(ii) Credit balances, customer overpayments, security deposits, refunds, credit memos, unpaid wages, unused airline tickets, and unidentified remittances.

(iii) Except as provided in sections 15(4) and 30(1), gift certificates and gift cards.

(iv) Stocks and other intangible ownership interests in business associations.

(v) Money deposited to redeem stocks, bonds, coupons, and other securities, or to make distributions.

(vi) Amounts due and payable under the terms of insurance policies.

(vii) Amounts distributable from a trust or custodial fund established under a plan to provide health, welfare, pension, vacation, severance, retirement, death, stock purchase, profit sharing, employee savings, supplemental unemployment insurance, or similar benefits.

(l) "Last known address" means a description of the location of the apparent owner sufficient for the purpose of the delivery of mail.

(m) "Locator" means a person registered under section 36a(2) who locates owners of unclaimed property and enters into a written agreement with an owner to document entitlement to property and to locate, deliver, recover, or claim, or assist in locating, delivering, recovering, or claiming, property that is presumed abandoned, for compensation.

(n) "Owner" means a depositor, in the case of a deposit; a beneficiary, in case of a trust other than a deposit in trust; a creditor, claimant, or payee, in the case of other intangible property; or a person having a legal or equitable interest in property subject to this act. Owner includes the legal representative of the person defined as an owner in this subdivision.

(o) "Person" means an individual, business association, state or other government, governmental subdivision or agency, public corporation, public authority, estate, trust, 2 or more persons having a joint or common interest, or any other legal or commercial entity.

(p) "Property" means tangible or intangible personal property owned by a person.

(q) "State" means any state, district, commonwealth, territory, insular possession, or any other area subject to the legislative authority of the United States.

(r) "Utility" means a person who owns or operates for public use any plant, equipment, property, franchise, or license for the transmission of communications or the production, storage, transmission, sale, delivery, or furnishing of electricity, water, steam, or gas.

History: 1995, Act 29, Eff. Mar. 28, 1996 ;-- Am. 2008, Act 208, Eff. Sept. 30, 2008 ;-- Am. 2015, Act 242, Imd. Eff. Dec. 22, 2015 ;-- Am. 2016, Act 312, Imd. Eff. Oct. 6, 2016

Compiler's Notes: Enacting section 1 of Act 242 of 2015 provides:"Enacting section 1. This amendatory act is retroactive and applies to audits in progress as of August 15, 2015, but does not retroactively apply to contested determinations in litigation before the date of enactment of this amendatory act."

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567.223 Unclaimed property held in ordinary course of business; presumption.

Sec. 3.

(1) Except as otherwise provided by this act, all property, including any income or increment derived from the property, less any lawful charges, that is held, issued, or owing in the ordinary course of a holder's business and remains unclaimed by the owner for more than 3 years after it becomes payable or distributable is presumed abandoned.

(2) Property is payable or distributable for the purpose of this act, notwithstanding the owner's failure to make demand or to present any instrument or document required to receive payment.

History: 1995, Act 29, Eff. Mar. 28, 1996 ;-- Am. 2010, Act 197, Imd. Eff. Oct. 5, 2010
Compiler's Notes: Enacting section 1 of Act 197 of 2010 provides:"Enacting section 1. This amendatory act applies to property presumed abandoned and subject to the state's custody as unclaimed property under this act reportable to the state for any period ending after June 30, 2010."

567.224 Unclaimed property; conditions; requirements.

Sec. 4.

Unless otherwise provided in this act or by law, property is subject to the custody of this state as unclaimed property, if the conditions raising a presumption of abandonment under sections 3 and 6 to 17 are satisfied and 1 or more of the following requirements are met:

(a) The last known address, as shown on the records of the holder, of the apparent owner is in this state.

(b) The records of the holder do not reflect the identity of the person entitled to the property and it is established that the last known address of the person entitled to the property is in this state.

(c) The records of the holder do not reflect the last known address of the apparent owner, and 1 of the following is established:

(i) That the last known address of the person entitled to the property is in this state.

(ii) That the holder is domiciled in this state or is a government or governmental subdivision or agency of this state and has not previously paid or delivered the property to the state of the last known address of the apparent owner or other person entitled to the property.

(d) The last known address, as shown on the records of the holder, of the apparent owner is in a state that does not provide by law for the escheat or custodial taking of the property or its escheat or unclaimed property law is not applicable to the property and the holder is domiciled in this state or is a government or governmental subdivision or agency of this state.

(e) The last known address, as shown on the records of the holder, of the apparent owner is in a foreign nation and the holder is domiciled in this state or is a government or governmental subdivision or agency of this state.

(f) The transaction out of which the property arose occurred in this state, and both of the following are established:

(i) The last known address of the apparent owner or other person entitled to the property is unknown or is in a state that does not provide by law for the escheat or custodial taking of the property or its escheat or unclaimed property law is not applicable to the property.

(ii) The holder is domiciled in a state that does not provide by law for the escheat or custodial taking of the property or its escheat or unclaimed property law is not applicable to the property.

History: 1995, Act 29, Eff. Mar. 28, 1996

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567.224a Exception.

Sec. 4a.

(1) Except as provided in subsection (2), property is not subject to the custody of this state as unclaimed property if its value is $25.00 or less.

(2) Subsection (1) does not apply to property described in section 11a or dividends.

History: Add. 2015, Act 242, Imd. Eff. Dec. 22, 2015
Compiler's Notes: Enacting section 1 of Act 242 of 2015 provides:"Enacting section 1. This amendatory act is retroactive and applies to audits in progress as of August 15, 2015, but does not retroactively apply to contested determinations in litigation before the date of enactment of this amendatory act."

567.225 Outstanding travelers checks, money orders, or similar written instruments.

Sec. 5.

(1) Subject to subsection (4), any sum payable on a travelers check that is outstanding for more than 15 years after its issuance is presumed abandoned unless the owner, within 15 years, has communicated in writing with the issuer concerning it or otherwise indicated an interest as evidenced by a memorandum or other record on file prepared by an employee of the issuer.

(2) Subject to subsection (4), and except as otherwise provided in section 17a, any sum payable on a money order or similar written instrument, other than a third-party bank check, that is outstanding for more than 3 years after its issuance is presumed abandoned unless the owner, within 3 years, has communicated in writing with the issuer concerning it or otherwise indicated an interest as evidenced by a memorandum or other record on file prepared by an employee of the issuer.

(3) A holder may not deduct from the amount of a travelers check or money order any charge imposed by reason of the failure to present the instrument for payment unless there is an enforceable written contract between the issuer and the owner of the instrument under which the issuer may impose a charge and the issuer regularly imposes such charges and does not regularly reverse or otherwise cancel them.

(4) A sum payable on a travelers check, money order, or similar written instrument, other than a third-party bank check, described in subsections (1) and (2) may not be subjected to the custody of this state as unclaimed property unless 1 or more of the following requirements are met:

(a) The records of the issuer show that the travelers check, money order, or similar written instrument was purchased in this state.

(b) The issuer has its principal place of business in this state and the records of the issuer do not show the state in which the travelers check, money order, or similar written instrument was purchased.

(c) The issuer has its principal place of business in this state, the records of the issuer show the state in which the travelers check, money order, or similar written instrument was purchased and the laws of the state of purchase do not provide for the escheat or custodial taking of the property or its escheat or unclaimed property law is not applicable to the property.

(5) Notwithstanding any other provision of this act, subsection (4) applies to sums payable on travelers checks, money orders, and similar written instruments presumed abandoned on or

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after February 1, 1965, except to the extent that those sums have been paid over to a state before January 1, 1974.

History: 1995, Act 29, Eff. Mar. 28, 1996 ;-- Am. 2010, Act 197, Imd. Eff. Oct. 5, 2010 ;-- Am. 2024, Act 101, Imd. Eff. July 23, 2024
Compiler's Notes: Enacting section 1 of Act 197 of 2010 provides:"Enacting section 1. This amendatory act applies to property presumed abandoned and subject to the state's custody as unclaimed property under this act reportable to the state for any period ending after June 30, 2010."Enacting section 1 of Act 101 of 2024 provides:"Enacting section 1. This amendatory act applies to property that is presumed abandoned and subject to this state's custody as unclaimed property on or after the effective date of this amendatory act."

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567.226 Outstanding checks, drafts, or similar instruments.

Sec. 6.

(1) Except as otherwise provided in section 17a, any sum payable on a check, draft, or similar instrument, except those subject to section 5, on which a banking or financial organization is directly liable, including a cashier's check and a certified check, which is outstanding for more than 3 years after it was payable or after its issuance if payable on demand, is presumed abandoned, unless the owner, within 3 years, has communicated in writing with the banking or financial organization concerning it or otherwise indicated an interest as evidenced by a memorandum or other record on file prepared by an employee of the banking or financial organization.

(2) A holder may not deduct from the amount of any instrument subject to this section any charge imposed by reason of the failure to present the instrument for payment unless there is an enforceable written contract between the holder and the owner of the instrument under which the holder may impose a charge, and the holder regularly imposes such charges and does not regularly reverse or otherwise cancel them.

History: 1995, Act 29, Eff. Mar. 28, 1996 ;-- Am. 2010, Act 197, Imd. Eff. Oct. 5, 2010 ;-- Am. 2024, Act 101, Imd. Eff. July 23, 2024
Compiler's Notes: Enacting section 1 of Act 197 of 2010 provides:"Enacting section 1. This amendatory act applies to property presumed abandoned and subject to the state's custody as unclaimed property under this act reportable to the state for any period ending after June 30, 2010."Enacting section 1 of Act 101 of 2024 provides:"Enacting section 1. This amendatory act applies to property that is presumed abandoned and subject to this state's custody as unclaimed property on or after the effective date of this amendatory act."

567.227 Demand, savings, or matured time deposit.

Sec. 7.

(1) Except as otherwise provided in section 17a, any demand, savings, or matured time deposit with a banking or financial organization, including a deposit that is automatically renewable, and any funds paid toward the purchase of a share, a mutual investment certificate, or any other interest in a banking or financial organization is presumed abandoned unless the owner, within 3 years, has met 1 or more of the following requirements:

(a) In the case of a deposit, increased or decreased its amount or presented the passbook or other similar evidence of the deposit for the crediting of interest.

(b) Communicated, in writing, with the banking or financial organization concerning the property.

(c) Otherwise indicated an interest in the property as evidenced by a memorandum or other record on file prepared by an employee of the banking or financial organization.

(d) Owned other property to which subdivision (a), (b), or (c) applies and unless the banking or financial organization communicates, in writing, with the owner with regard to the property that would otherwise be presumed abandoned under this subsection at the address to which communications regarding the other property regularly are sent.

(e) Had another relationship with the banking or financial organization concerning which the owner has met 1 or more of the following requirements:

(i) Communicated, in writing, with the banking or financial organization.

(ii) Otherwise indicated an interest as evidenced by a memorandum or other record on file prepared by an employee of the banking or financial organization and unless the banking or financial organization communicates in writing with the owner with regard to the property that would otherwise be abandoned under this subsection at the address to which communications regarding the other relationship regularly are sent.

(2) For purposes of subsection (1), property includes interest and dividends.

(3) A holder may not impose with respect to property described in subsection (1) any charge due to dormancy or inactivity or cease payment of interest unless all of the following requirements are met:

(a) There is an enforceable written contract between the holder and the owner of the property providing that the holder may impose a charge or cease payment of interest.

(b) For the property of a value in excess of $2.00, the holder, not more than 3 months before the initial imposition of those charges or cessation of interest, has given written notice to the owner of the amount of those charges at the last known address of the owner stating that those charges will be imposed or that interest will cease. However, the notice required in this subdivision need not be given with respect to charges imposed or interest ceased before March 28, 1996.

(c) The holder regularly imposes such charges or ceases payment of interest and does not regularly reverse or otherwise cancel them or retroactively credit interest with respect to the property.

(4) Any property described in subsection (1) that is automatically renewable is matured for purposes of subsection (1) 15 years after the expiration of its initial time period, but in the case of any renewal to which the owner consents at or about the time of renewal by communicating in writing with the banking or financial organization or otherwise indicating consent as evidenced by a memorandum or other record on file prepared by an employee of the organization, the property is matured on the expiration of the last time period for which consent was given. If, at the time provided for delivery to the administrator under section 20, a penalty or forfeiture in the payment of interest would result from the delivery of the property, the time for delivery is extended until the time when no penalty or forfeiture would result.

(5) Except as otherwise provided in section 17a, the following types of accounts are presumed abandoned 3 years after the owner or the person entitled to the funds last communicated in writing with the banking or financial organization concerning the funds or otherwise indicated an interest as evidenced by a memorandum or other record on file prepared by an employee of the banking or financial organization:

(a) An in trust for account described in section 2 of 1909 PA 248, MCL 487.702.

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(b) An account established under former 1959 PA 172.

(c) An account established under the Michigan uniform transfers to minors act, 1998 PA 433, MCL 554.521 to 554.552.

History: 1995, Act 29, Eff. Mar. 28, 1996 ;-- Am. 2010, Act 197, Imd. Eff. Oct. 5, 2010 ;-- Am. 2024, Act 101, Imd. Eff. July 23, 2024

Compiler's Notes: Enacting section 1 of Act 197 of 2010 provides:"Enacting section 1. This amendatory act applies to property presumed abandoned and subject to the state's custody as unclaimed property under this act reportable to the state for any period ending after June 30, 2010."Enacting section 1 of Act 101 of 2024 provides:"Enacting section 1. This amendatory act applies to property that is presumed abandoned and subject to this state's custody as unclaimed property on or after the effective date of this amendatory act."

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567.228 Unclaimed life or endowment insurance policy or annuity contract.

Sec. 8.

(1) Except as otherwise provided in subsection (2) and section 17a, funds held or owing under any life or endowment insurance policy or annuity contract that has matured or terminated are presumed abandoned if unclaimed for more than 3 years after the funds became due and payable as established from the records of the insurance company holding or owing the funds.

(2) Property described in subsection (4)(b) is presumed abandoned if unclaimed for more than 2 years.

(3) If a person other than the insured or annuitant is entitled to the funds and an address of the person is not known to the insurance company or it is not definite and certain from the records of the insurance company who is entitled to the funds, it is presumed that the last known address of the person entitled to the funds is the same as the last known address of the insured or annuitant according to the records of the insurance company.

(4) For purposes of this act, a life or endowment insurance policy or annuity contract not matured by actual proof of the death of the insured or annuitant according to the records of the insurance company is matured and the proceeds due and payable if 1 or more of the following requirements are met:

(a) The insurance company knows that the insured or annuitant has died.

(b) The insured has attained, or would have attained if the insured were living, the limiting age under the mortality table on which the reserve is based; the policy was in force at the time the insured attained, or would have attained, the limiting age; and neither the insured nor any other person appearing to have an interest in the policy within the preceding 2 years, according to the records of the insurance company, has assigned, readjusted, or paid premiums on the policy, subjected the policy to a loan, corresponded in writing with the insurance company concerning the policy, or otherwise indicated an interest as evidenced by a memorandum or other record on file prepared by an employee of the insurance company.

(5) For purposes of this act, the application of an automatic premium loan provision or other nonforfeiture provision contained in an insurance policy does not prevent a policy from being matured or terminated under subsection (1) if the insured has died or the insured or the beneficiary of the policy otherwise has become entitled to the proceeds of the policy before the depletion of the cash surrender value of the policy by the application of those provisions.

(6) If the laws of this state or the terms of the life insurance policy require the insurance company to give notice to the insured or owner that an automatic premium loan provision or other nonforfeiture provision has been exercised and the notice, given to an insured or owner whose last known address according to the records of the insurance company is in this state, is undeliverable, the insurance company must make a reasonable search to ascertain the policyholder's correct address to which the notice must be mailed.

(7) Notwithstanding any other provision of law, if the insurance company learns of the death of the insured or annuitant and the beneficiary has not communicated with the insurance company within 4 months after the death of the insured or annuitant, the insurance company must take reasonable steps to pay the proceeds to the beneficiary.

(8) Beginning March 28, 1998, every change of beneficiary form issued by an insurance company under any life or endowment insurance policy or annuity contract to an insured or owner who is a resident of this state must request all of the following information:

(a) The name of each beneficiary, or if a class of beneficiaries is named, the name of each current beneficiary in the class.

(b) The address of each beneficiary.

(c) The relationship of each beneficiary to the insured.

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History: 1995, Act 29, Eff. Mar. 28, 1996 ;-- Am. 2010, Act 197, Imd. Eff. Oct. 5, 2010 ;-- Am. 2024, Act 101, Imd. Eff. July 23, 2024

Compiler's Notes: Enacting section 1 of Act 197 of 2010 provides:"Enacting section 1. This amendatory act applies to property presumed abandoned and subject to the state's custody as unclaimed property under this act reportable to the state for any period ending after June 30, 2010."Enacting section 1 of Act 101 of 2024 provides:"Enacting section 1. This amendatory act applies to property that is presumed abandoned and subject to this state's custody as unclaimed property on or after the effective date of this amendatory act."

567.228a Unclaimed prepaid funeral contract.

Sec. 8a.

(1) Funds held by a provider under the prepaid funeral contract funding act, 1986 PA 255, MCL 328.211 to 328.235, that remain unclaimed for a period of 3 years after the death of the contract beneficiary or, if no contract beneficiary has been designated under the prepaid funeral contract, 3 years after the death of the owner of the prepaid funeral contract are presumed abandoned.

(2) Funds held pursuant to 1954 PA 70, MCL 328.201 to 328.204, are presumed abandoned, after a period of 3 years, unless the owner or person entitled to the funds has communicated in writing with the banking or financial organization concerning the funds or otherwise indicated in interest as evidenced by a memorandum or other record on file prepared by an employee of the banking or financial organization.

History: 1995, Act 29, Eff. Mar. 28, 1996 ;-- Am. 2010, Act 197, Imd. Eff. Oct. 5, 2010

Compiler's Notes: Enacting section 1 of Act 197 of 2010 provides:"Enacting section 1. This amendatory act applies to property presumed abandoned and subject to the state's custody as unclaimed property under this act reportable to the state for any period ending after June 30, 2010."

567.228b Demutualization of insurance company; property; presumption; report; definition.

Sec. 8b.

(1) Property distributable in the course of the demutualization of an insurance company is presumed abandoned as follows:

(a) Any funds, 2 years after the date of the demutualization, if the funds remain unclaimed and the owner has not otherwise communicated with the holder or its agent regarding the property as evidenced by a memorandum or other record on file with the holder or its agent.

(b) Any stock, 2 years after the date of the demutualization, if instruments or statements reflecting the distribution are either mailed to the owner and returned by the post office as undeliverable or not mailed to the owner because of an address on the books and records of the holder that is known to be incorrect and the owner has not otherwise communicated with the holder or its agent regarding the property as evidenced by a memorandum or other record on file with the holder or its agent.

(2) A holder of unclaimed property described in subsection (1) shall file an initial 1-time report of unclaimed demutualization proceeds not later than September 1, 2004 for the 1-year period ending December 31, 2003.

(3) As used in this section, "demutualization" means the payment of consideration for the relinquishment of a mutual membership interest in a mutual insurance company, regardless if undertaken in conjunction with a plan of demutualization, liquidation, merger, or other form of reorganization.

History: Add. 2004, Act 82, Imd. Eff. Apr. 22, 2004

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567.229 Unclaimed deposit for utility services.

Sec. 9.

A deposit, including any interest on the deposit, made by a subscriber with a utility to secure payment or any sum paid in advance for utility services to be furnished, less any lawful deductions, that remains unclaimed by the owner for more than 1 year after termination of the services for which the deposit or advance payment was made is presumed abandoned.

History: 1995, Act 29, Eff. Mar. 28, 1996

567.230 Determination or order by court or administrative agency of refund by business association.

Sec. 10.

Except to the extent otherwise ordered by the court or administrative agency, any sum that a business association has been ordered to refund by a court or administrative agency that remains unclaimed by the owner for more than 1 year after it became payable in accordance with the final determination or order providing for the refund, whether or not the final determination or order requires any person entitled to a refund to make a claim for the refund, is presumed abandoned.

History: 1995, Act 29, Eff. Mar. 28, 1996

567.231 Repealed. 2004, Act 385, Imd. Eff. Oct. 12, 2004.

Compiler's Notes: The repealed section pertained to ownership interest in business association.

567.231a Abandonment of ownership interest; exceptions.

Sec. 11a.

(1) Any stock, share, or other intangible ownership interest in a business association, the existence of which is evidenced by records available to the association, is presumed abandoned and, with respect to the interest, the association is the holder, if both of the following apply:

(a) The interest in the association is owned by a person who for more than 3 years has not claimed a dividend, distribution, or other sum payable as a result of the interest, or who has not communicated with the association regarding the interest or a dividend, distribution, or other sum payable as the result of the interest, as evidenced by a memorandum or other record on file with the association prepared by an employee of the association.

(b) The association does not know the location of the owner at the end of the 3-year period.

(2) The return of official shareholder notifications or communications by the postal service as undeliverable is evidence that the association does not know the location of the owner.

(3) This section applies to both the underlying stock, share, or other intangible ownership interest of an owner, and any stock, share, or other intangible ownership interest of which the business association is in possession of the certificate or other evidence or indicia of ownership, and to the stock, share, or other ownership interest of dividend and nondividend paying business associations whether or not the interest is represented by a certificate.

(4) At the time an interest is presumed abandoned under this section, any dividend, distribution, or other sum then held for or owing to the owner as a result of the interest, and not previously presumed abandoned, is presumed abandoned.

(5) This section does not apply to any stock or other intangible ownership interest enrolled in a plan that provides for the automatic reinvestment of dividends, distributions, or other sums payable as a result of the interest unless 1 or more of the following apply:

(a) The records available to the administrator of the plan show, with respect to any intangible ownership interest not enrolled in the reinvestment plan, that the owner has not within 3 years communicated in any manner described in subsection (1).

(b) Three years have elapsed since the location of the owner became unknown to the association, as evidenced by the return of official shareholder notifications or communications by the postal service as undeliverable, and the owner has not within 3 years communicated in any manner described in subsection (1).

History: Add. 2004, Act 385, Imd. Eff. Oct. 12, 2004

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567.232 Unclaimed property from dissolved business association.

Sec. 12.

Property distributable in the course of a dissolution of a business association that remains unclaimed by the owner for more than 1 year after the date specified for final distribution is presumed abandoned.

History: 1995, Act 29, Eff. Mar. 28, 1996

567.233 Property held in fiduciary capacity.

Sec. 13.

(1) Except as otherwise provided in section 17a, property and any income or increment derived therefrom held in a fiduciary capacity for the benefit of another person is presumed abandoned unless the owner, within 3 years after it has become payable or distributable, has increased or decreased the principal, accepted payment of principal or income, communicated concerning the property, or otherwise indicated an interest as evidenced by a memorandum or other record on file prepared by the fiduciary.

(2) Funds in an individual retirement account or a qualified retirement plan for self-employed individuals or similar account or qualified plan established under the internal revenue code are not payable or distributable within the meaning of subsection (1) unless, under the terms of the account or qualified plan, distribution of all or part of the funds would then be mandatory.

(3) For the purpose of this section, an individual who holds property as an agent for a business association is deemed to hold the property in a fiduciary capacity for that business association alone, unless the agreement between the individual and the business association provides otherwise.

(4) For the purposes of this act, a person that is deemed to hold property in a fiduciary capacity for a business association alone is the holder of the property only insofar as the interest of the business association in the property is concerned, and the business association is the holder of the property insofar as the interest of any other person in the property is concerned.

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History: 1995, Act 29, Eff. Mar. 28, 1996 ;-- Am. 2010, Act 197, Imd. Eff. Oct. 5, 2010 ;-- Am. 2024, Act 101, Imd. Eff. July 23, 2024

Compiler's Notes: Enacting section 1 of Act 197 of 2010 provides:"Enacting section 1. This amendatory act applies to property presumed abandoned and subject to the state's custody as unclaimed property under this act reportable to the state for any period ending after June 30, 2010."Enacting section 1 of Act 101 of 2024 provides:"Enacting section 1. This amendatory act applies to property that is presumed abandoned and subject to this state's custody as unclaimed property on or after the effective date of this amendatory act."

567.234 Property held by court, governmental agency, or public corporation or authority.

Sec. 14.

Property held for the owner by a court, state, or other government, governmental subdivision or agency, public corporation, or public authority that remains unclaimed by the owner for more than 1 year after becoming payable or distributable is presumed abandoned.

History: 1995, Act 29, Eff. Mar. 28, 1996

567.235 Gift certificate, gift card, or credit memo; presumption of abandonment; considered as used or claimed; presumption of amount abandoned; act inapplicable to gift certificate defined in MCL 445.903e.

Sec. 15.

(1) Except as provided in subsection (4) and section 17a, a gift certificate, gift card, or credit memo is presumed abandoned if either of the following applies:

(a) The certificate, card, or memo is not claimed or used for a period of 3 years after becoming payable or distributable.

(b) The certificate, card, or memo was used or claimed 1 or more times without exhausting its full value, but subsequently was not claimed or used for an uninterrupted period of 3 years.

(2) For purposes of subsection (1), a gift certificate or gift card is considered to have been claimed or used if there is any transaction processing activity on the gift certificate or gift card, including, but not limited to, redeeming, refunding, or adding value to the certificate or card. Activity initiated by the issuer of the certificate or card, including, but not limited to, assessing inactivity fees or similar service fees, does not constitute transaction processing activity for purposes of this subsection.

(3) In the case of a gift certificate or gift card, the owner is presumed to be a gift recipient of the gift certificate or gift card, and the amount presumed abandoned is the price paid by the purchaser for the gift certificate or gift card, less the total of any purchases or fees assessed against the certificate or card. In the case of a credit memo, the amount presumed abandoned is the amount credited to the recipient of the memo.

(4) This act does not apply to a gift certificate as defined in section 3e of the Michigan consumer protection act, 1976 PA 331, MCL 445.903e, that is issued for retail goods or services by a person engaged in the retail sale of goods or services.

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History: 1995, Act 29, Eff. Mar. 28, 1996 ;-- Am. 2008, Act 208, Eff. Sept. 30, 2008 ;-- Am. 2010, Act 197, Imd. Eff. Oct. 5, 2010 ;-- Am. 2024, Act 101, Imd. Eff. July 23, 2024

Compiler's Notes: Enacting section 1 of Act 197 of 2010 provides:"Enacting section 1. This amendatory act applies to property presumed abandoned and subject to the state's custody as unclaimed property under this act reportable to the state for any period ending after June 30, 2010."Enacting section 1 of Act 101 of 2024 provides:"Enacting section 1. This amendatory act applies to property that is presumed abandoned and subject to this state's custody as unclaimed property on or after the effective date of this amendatory act."

567.236 Unpaid wages.

Sec. 16.

(1) Unpaid wages greater than $50.00, including wages represented by unpresented payroll checks greater than $50.00, owing in the ordinary course of the holder's business that remain unclaimed by the owner for more than 1 year after becoming payable are presumed abandoned.

(2) Unpaid wages of $50.00 or less owing in the ordinary course of the holder's business that remain unclaimed by the owner for more than 1 year after becoming payable are not subject to this act.

History: 1995, Act 29, Eff. Mar. 28, 1996 ;-- Am. 2002, Act 677, Imd. Eff. Dec. 30, 2002

567.237 Property held in safe deposit box or repository.

Sec. 17.

Except as otherwise provided in section 17a, all property held in a safe deposit box or any other safekeeping repository in this state in the ordinary course of the holder's business and proceeds resulting from the sale of the property permitted by law, that remain unclaimed by

the owner for more than 3 years after the lease or rental period on the box or other repository has expired, are presumed abandoned.

History: 1995, Act 29, Eff. Mar. 28, 1996 ;-- Am. 2010, Act 197, Imd. Eff. Oct. 5, 2010 ;-- Am. 2024, Act 101, Imd. Eff. July 23, 2024
Compiler's Notes: Enacting section 1 of Act 197 of 2010 provides:"Enacting section 1. This amendatory act applies to property presumed abandoned and subject to the state's custody as unclaimed property under this act reportable to the state for any period ending after June 30, 2010."Enacting section 1 of Act 101 of 2024 provides:"Enacting section 1. This amendatory act applies to property that is presumed abandoned and subject to this state's custody as unclaimed property on or after the effective date of this amendatory act."

567.237a Dormancy period for military personnel.

Sec. 17a.

The dormancy period described in sections 3(1), 5(2), 6(1), 7(1) and (5), 8(1), 13(1), 15(1), and 17 is 5 years if the owner of the property is on active duty military service or in the reserve component on active orders.

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History: Add. 2024, Act 101, Imd. Eff. July 23, 2024
Compiler's Notes: Enacting section 1 of Act 101 of 2024 provides:"Enacting section 1. This amendatory act applies to property that is presumed abandoned and subject to this state's custody as unclaimed property on or after the effective date of this amendatory act."

567.238 Report of presumed abandoned property; duties of property holder; applicability of certain provisions to owners of property on active duty military service.

Sec. 18.

(1) A person holding property presumed abandoned and subject to this state's custody as unclaimed property under this act shall report to the administrator concerning the property as provided in this section.

(2) The report required by this section must be verified and must include all of the following:

(a) 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 $50.00 or more presumed abandoned under this act. This subdivision does not apply to travelers checks or money orders.

(b) For unclaimed funds of $50.00 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 owing the funds.

(c) For the contents of a safe deposit box or other safekeeping repository or of other tangible property, a description of the property.

(d) 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.

(e) 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.

(f) Other information the administrator requires by rule as necessary for the administration of this act.

(3) If the person holding property presumed abandoned and subject to this state's custody as unclaimed property under this act is a successor to other persons that previously held the property for the apparent owner, or the holder has changed its name while holding the property, the holder must file with the report required by this section all known names and addresses of each previous holder of the property.

(4) Except as otherwise provided in this subsection, the report required by this section must 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 postpone the date to file a report on written request by any person required to file a report under this section. The administrator may extend the filing date for up to 60 days on written request.

(5) Not less than 60 days or more than 365 days before filing the report required by this section, the holder in possession of property presumed abandoned and subject to the state's custody as unclaimed property under this act shall send written notice to the apparent owner at the owner's last known address informing the owner that the holder is in possession of property subject to this act if all of the following requirements are met:

(a) The holder has in its records an address for the apparent owner that the holder's records do not disclose to be inaccurate.

(b) The claim of the apparent owner is not barred by the statute of limitations.

(c) The property has a value of $50.00 or more or, if the holder filing a report under this section is reporting for the current report year at least 25,000 properties over $50.00 each, the property has a value of $100.00 or more.

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History: 1995, Act 29, Eff. Mar. 28, 1996 ;-- Am. 1997, Act 195, Imd. Eff. Dec. 30, 1997 ;-- Am. 2010, Act 197, Imd. Eff. Oct. 5, 2010 ;-- Am. 2020, Act 79, Imd. Eff. Apr. 2, 2020 ;-- Am. 2024, Act 101, Imd. Eff. July 23, 2024

Compiler's Notes: Enacting section 1 of Act 197 of 2010 provides:"Enacting section 1. This amendatory act applies to property presumed abandoned and subject to the state's custody as unclaimed property under this act reportable to the state for any period ending after June 30, 2010."Enacting section 1 of Act 101 of 2024 provides:"Enacting section 1. This amendatory act applies to property that is presumed abandoned and subject to this state's custody as unclaimed property on or after the effective date of this amendatory act."

567.239 Notice; publication in newspaper; requirements.

Sec. 19.

(1) The administrator shall cause a notice to be published once every 6 months in a newspaper that has statewide circulation.

(2) The published notice shall be entitled "notice to persons and entities who may be owners of abandoned property" and contain all of the following:

(a) A statement of the number of new properties that have been added to the department of treasury website and that the list of new properties will be available for not less than 1 year.

(b) The department's website address. The website shall enable persons and entities to search for their abandoned property.

(c) The department's telephone number for persons and entities wishing to contact the department via telephone in search of their abandoned property.

(d) A statement that anyone interested in searching the department of treasury website may search the internet at his or her local public library.

(3) The website shall contain all of the following:

(a) The name of any person for whom property has been added to the unclaimed property division database.

(b) A statement that information concerning the property may be obtained by any person possessing an interest in the property by addressing an inquiry to the administrator.

(c) A claim form.

(d) A statement informing an owner of property held by the administrator how to file a claim with the administrator to receive his or her property.

(4) The administrator is not required to publish on the website any items of less than $50.00 unless the administrator considers publication of 1 or more of those items to be in the public interest.

(5) This section is not applicable to sums payable on travelers checks, money orders, and other written instruments presumed abandoned under section 5.

History: 1995, Act 29, Eff. Mar. 28, 1996 ;-- Am. 1997, Act 195, Imd. Eff. Dec. 30, 1997 ;-- Am. 2004, Act 82, Imd. Eff. Apr. 22, 2004 ;-- Am. 2004, Act 385, Imd. Eff. Oct. 12, 2004

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567.240 Payment or delivery of abandoned property to administrator; duplicate certificate.

Sec. 20.

(1) A person who is required to file a report under section 18 shall at the time for filing the report pay or deliver to the administrator all abandoned property that is required to be reported under section 18 or any balance owing if an estimated payment was made under section 18.

(2) The holder of an interest under section 11 shall deliver a duplicate certificate or other evidence of ownership if the holder does not issue certificates of ownership to the administrator. Upon delivery of a duplicate certificate to the administrator, the holder and any transfer agent, registrar, or other person acting for or on behalf of a holder in executing or delivering the duplicate certificate is relieved of all liability of every kind in accordance with the provision of section 21 to every person, including any person acquiring the original certificate or the duplicate of the certificate issued to the administrator, for any losses or damages resulting to any person by the issuance and delivery to the administrator of the duplicate certificate.

History: 1995, Act 29, Eff. Mar. 28, 1996 ;-- Am. 1997, Act 195, Imd. Eff. Dec. 30, 1997

567.241 Payment or delivery of abandoned property to administrator; rights of property holder.

Sec. 21.

(1) Upon the payment or delivery of property to the administrator, the state assumes custody and responsibility for the safekeeping of the property. A person who pays or delivers property to the administrator in good faith is relieved of all liability to the extent of the value of the property paid or delivered for any claim then existing or which may arise or be made in respect to the property after the payment or delivery to the administrator.

(2) A holder who has paid money to the administrator pursuant to this act may make payment to any person appearing to the holder to be entitled to payment and, upon filing proof of payment and proof that the payee was entitled to the payment, the administrator shall promptly reimburse the holder for the payment without imposing any fee or other charge. If reimbursement is sought for a payment made on a negotiable instrument, including a travelers check or money order, the holder shall be reimbursed under this subsection upon filing proof that the instrument was duly presented and that payment was made to a person who appeared to the holder to be entitled to payment. The holder shall be reimbursed for payment made under this subsection even if the payment was made to a person whose claim was barred under section 30(1).

(3) A holder who has delivered property, including a certificate of any interest in a business association, other than money to the administrator pursuant to this act, may reclaim the property if still in the possession of the administrator, without paying any fee or other charge, upon filing proof that the owner has claimed the property from the holder.

(4) The administrator may accept the holder's affidavit as sufficient proof of the facts that entitle the holder to recover money and property under this section.

(5) If the holder pays or delivers property to the administrator in good faith and another person claims the property from the holder or another state claims the money or property under its laws relating to escheat or abandoned or unclaimed property, the administrator, upon written notice of the claim, shall defend the holder against the claim and indemnify the holder against any liability on the claim.

(6) For the purposes of this section, "good faith" means all of the following:

(a) That payment or delivery was made in a reasonable attempt to comply with this act.

(b) That the person delivering the property was not a fiduciary then in breach of trust in respect to the property and had a reasonable basis for believing, based on the facts then known to him or her, that the property was abandoned for the purposes of this act.

(c) That there is no showing that the records under which the delivery was made did not meet reasonable commercial standards of practice in the industry.

(7) Property removed from a safe deposit box or other safekeeping repository is received by the administrator subject to the holder's right under this subsection to be reimbursed for the actual cost of the opening and to any valid lien or contract providing for the holder to be reimbursed for unpaid rent or storage charges. The administrator shall reimburse or pay the holder out of the proceeds remaining after deducting the administrator's selling cost.

(8) For purposes of section 7(1)(e), a banking or financial organization is considered to have acted in good faith if it has made a reasonable search of its records as determined by the commercial standards of practice in the industry and reasonably determined that the banking or financial organization does not have another relationship with the apparent owner.

History: 1995, Act 29, Eff. Mar. 28, 1996

567.242 Liquidation or conversion of property into money; receipt of dividends, interest, or other increments.

Sec. 22.

If property other than money is paid or delivered to the administrator under this act, the owner is entitled to receive from the administrator any dividends, interest, or other increments realized or accruing on the property at or before liquidation or conversion of the property into money.

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History: 1995, Act 29, Eff. Mar. 28, 1996

567.243 Sale of abandoned property.

Sec. 23.

(1) Except as provided in subsections (2) and (3), the administrator, not later than 3 years after the receipt of abandoned property, shall sell it to the highest bidder at public sale in whatever city in the state affords, in the judgment of the administrator, the most favorable market for the property involved. The administrator may decline the highest bid and reoffer the property for sale if, in the judgment of the administrator, the bid is insufficient. If, in the judgment of the administrator, the probable cost of sale exceeds the value of the property, the property need not be offered for sale. Any sale held under this section shall be preceded by a single publication of notice, at least 3 weeks in advance of sale, in a newspaper of general circulation in the county in which the property is to be sold.

(2) Securities listed on an established stock exchange shall be sold at prices prevailing at the time of sale on the exchange. Securities not listed on an established stock exchange may be sold over the counter at prices prevailing at the time of sale or by any other method the administrator considers advisable.

(3) Unless the administrator considers it to be in the best interest of the state to do otherwise, all securities presumed abandoned under this act and delivered to the administrator shall be sold within 1 year of the receipt of the securities. A person making a claim under this act against the state, the holder, any transfer agent, registrar, or other person acting for or on behalf of a holder is not entitled to any appreciation in the value of the property occurring after delivery by the holder to the administrator.

(4) The purchaser of property at any sale conducted by the administrator under this act takes the property free of all claims of the owner or previous holder of the property and of all persons claiming through or under the owner or previous holder. The administrator shall execute all documents necessary to complete the transfer of ownership.

History: 1995, Act 29, Eff. Mar. 28, 1996 ;-- Am. 1997, Act 195, Imd. Eff. Dec. 30, 1997

567.244 Disposition of funds; deductions; transfer of funds to senior care respite fund.

Sec. 24.

(1) Except as otherwise provided by this section, the administrator shall promptly deposit in the general fund of this state all funds received under this act, including the proceeds from the sale of abandoned property under section 23. The administrator shall retain in a separate trust fund an amount not less than $100,000.00 from which prompt payment of claims allowed under this act shall be made. When making the deposit, the administrator shall record the name and last known address of each person appearing from the holders' reports to be entitled to the property and the name and last known address of each insured person or annuitant and beneficiary and with respect to each policy or contract listed in the report of an insurance company, the number of the policy or contract, the name of the insurance company, and the amount due. The name of the owner or apparent owner and a gross description of the property only shall be available for public inspection at all reasonable business hours.

(2) Before making any deposit to the credit of the general fund, the administrator may deduct any of the following:

(a) Costs in connection with the sale of abandoned property.

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(b) Costs of mailing and publication in connection with any abandoned property.

(c) Reasonable service charges.

(d) Costs incurred in examining records of holders of property and in collecting the property from those holders.

(3) The administrator shall transfer to the senior care respite fund created in the older Michiganians act, 1981 PA 180, MCL 400.581 to 400.594, funds that escheat to this state pursuant to 1 or more of the following:

(a) Section 403a of the nonprofit health care corporation reform act, 1980 PA 350, MCL 550.1403a.

(b) Section 5805 of the insurance code of 1956, 1956 PA 218, MCL 500.5805.

History: 1995, Act 29, Eff. Mar. 28, 1996 ;-- Am. 2013, Act 209, Imd. Eff. Dec. 23, 2013

567.245 Claim of interest in property.

Sec. 25.

(1) A person, excluding another state, claiming an interest in any property paid or delivered to the administrator under this act, may file with the administrator a claim on a form prescribed by the administrator and verified by the claimant.

(2) The administrator shall consider each claim within 90 days after it is filed and give written notice to the claimant if the claim is denied in whole or in part. The notice may be given by mailing it to the last address, if any, stated in the claim as the address to which notices are to be sent. If no address for notices is stated in the claim, the notice may be mailed to the last address, if any, of the claimant as stated in the claim. No notice of denial need be given if the claim fails to state either the last address to which notices are to be sent or the address of the claimant.

(3) If a claim is allowed, the administrator shall pay over or deliver to the claimant the property or the amount the administrator actually received or the net proceeds if it has been sold by the administrator, plus any additional amount required by section 22. If the property claimed was interest bearing to the owner on the date of surrender by the holder, and if the date of surrender is on or after March 28, 1996, the administrator also shall pay interest at a rate of 6% a year or any lesser rate the property earned while in the possession of the holder. Interest begins to accrue when the interest bearing property is delivered to the administrator and ceases on the earlier of the expiration of 10 years after delivery or the date on which payment is made to the owner. No interest on interest bearing property is payable for any period before March 28, 1996.

(4) Any holder who pays the owner for property that has been delivered to the state and which, if claimed from the administrator, would be subject to subsection (3) shall add interest as provided in that subsection. The added interest must be repaid to the holder by the administrator in the same manner as the principal.

History: 1995, Act 29, Eff. Mar. 28, 1996 ;-- Am. 1997, Act 195, Imd. Eff. Dec. 30, 1997

567.246 Claim of interest in property by another state.

Sec. 26.

(1) At any time after property has been paid or delivered to the administrator under this act, another state may recover the property if 1 or more of the following requirements are met:

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(a) The property was subjected to custody by this state because the records of the holder did not reflect the last known address of the apparent owner when the property was presumed abandoned under this act, and the other state establishes that the last known address of the apparent owner or other person entitled to the property was in that state and under the laws of that state the property escheated to or was subject to a claim of abandonment by that state.

(b) The last known address of the apparent owner or other person entitled to the property, as reflected by the records of the holder, is in the other state and under the laws of that state the property has escheated to or become subject to a claim of abandonment by that state.

(c) The records of the holder were erroneous in that they did not accurately reflect the actual owner of the property and the last known address of the actual owner is in the other state and under the laws of that state the property escheated to or was subject to a claim of abandonment by that state.

(d) The property was subjected to custody by this state under section 4(f) and under the laws of the state of domicile of the holder the property has escheated to or become subject to a claim of abandonment by that state.

(e) The property is the sum payable on a travelers check, money order, or other similar instrument that was subjected to custody by this state under section 5, and the instrument was purchased in the other state, and under the laws of that state the property escheated to or became subject to a claim of abandonment by that state.

(2) The claim of another state, under the laws of that state, to recover escheated or abandoned property shall be presented in a form prescribed by the administrator, who shall decide the claim within 90 days after it is presented. The administrator shall allow the claim if the administrator determines that the other state is entitled to the property under subsection (1).

(3) The administrator shall require a state, before recovering property under this section, to agree to indemnify this state and its officers and employees against any liability on a claim for the property.

History: 1995, Act 29, Eff. Mar. 28, 1996

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567.247 Action to establish claim in circuit court.

Sec. 27.

A person who is aggrieved by a decision of the administrator or whose claim has not been acted upon within 90 days after its filing may bring an action to establish the claim in the circuit court, naming the administrator as a defendant. The action shall be brought within 90 days after the decision of the administrator or within 180 days after the filing of the claim if the administrator has failed to act on it. If the aggrieved person establishes the claim in an action against the administrator, the court shall award the claimant costs and reasonable attorney's fees.

History: 1995, Act 29, Eff. Mar. 28, 1996

567.248 Property declined by administrator; destruction or disposition of property by holder; failure of owner to act in relation to property for 2 years.

Sec. 28.

(1) The administrator may decline to receive property reported under this act that the administrator considers to have a value less than the expense of giving notice and of public

sale. If the administrator declines to receive the property, the administrator shall authorize the holder of the property to destroy or otherwise dispose of the property at any time the holder chooses. An action or proceeding shall not be maintained against a holder for or on account of any action taken by the holder in destroying or otherwise disposing of the property pursuant to the authorization of the administrator.

(2) A holder may report and deliver property to the administrator before the property is otherwise presumed abandoned if the owner has failed to exercise dominion or control, to assert a right of ownership or possession, to make presentment or demand payment, or to do any other act in relation to or concerning that property for a period of 2 years. Property received by the administrator under this subsection is presumed abandoned and shall be disposed of pursuant to section 23.

History: 1995, Act 29, Eff. Mar. 28, 1996

567.249 Determination of insubstantial commercial value; destruction or disposition of property.

Sec. 29.

If the administrator determines after investigation that any property delivered under this act has insubstantial commercial value, the administrator may destroy or otherwise dispose of the property at any time. An action or proceeding shall not be maintained against the state or any officer or against the holder for or on account of any action taken by the administrator under this section.

History: 1995, Act 29, Eff. Mar. 28, 1996

567.250 Expiration of time period specified by contract, statute, or court order; exception; commencement of action or proceeding.

Sec. 30.

(1) The expiration, before or after the effective date of this act, of any period of time specified by contract, statute, or court order, during which a claim for money or property can be made or during which an action or proceeding may be commenced or enforced to obtain payment of a claim for money or to recover property, does not prevent the money or property from being presumed abandoned or affect any duty to file a report or to pay or deliver abandoned property to the administrator as required by this act. This subsection does not apply to gift cards or gift certificates.

(2) Except as otherwise provided in subsection (3), an action or proceeding shall not be commenced by the administrator with respect to any duty of a holder under this act more than 10 years, or, for the holder of records of transactions between 2 or more associations as defined under section 37(a)(2), more than 5 years, after the duty arose.

(3) For eligible holders electing to participate in the streamlined audit process described in section 31b, an action or proceeding shall not be commenced by the administrator with respect to any duty of a holder under this act more than 4 years after the duty arose.

History: 1995, Act 29, Eff. Mar. 28, 1996 ;-- Am. 2008, Act 208, Eff. Sept. 30, 2008 ;-- Am. 2012, Act 292, Imd. Eff. Aug. 1, 2012 ;-- Am. 2015, Act 242, Imd. Eff. Dec. 22, 2015

Compiler's Notes: Enacting section 1 of Act 242 of 2015 provides:"Enacting section 1. This amendatory act is retroactive and applies to audits in progress as of August 15, 2015, but does not retroactively apply to contested determinations in litigation before the date of enactment of this amendatory act."

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567.251 Verified report of unclaimed property being held; examination of records to determine compliance with act; notice; audit; incomplete records; cost of examination; failure to maintain records; insufficient records for preparation of report; issuance of check in streamlined process; "substantially complete records" defined.

Sec. 31.

(1) The administrator may require a person who has not filed a report under this act or a person who the administrator believes has filed an inactive, incomplete, or false report, to file a verified report in a form specified by the administrator. The report shall state whether the person is holding any unclaimed property reportable or deliverable under this act, describe unclaimed property not previously reported or as to which the administrator has made inquiry, and specifically identify and state the amounts of property that may be in issue.

(2) The administrator, at reasonable times and upon reasonable notice, may examine the records of a person to determine whether the person has complied with this act. The administrator may conduct the examination even if the person believes he or she is not in possession of any property reportable or deliverable under this act. The administrator may contract with any other person to conduct the examination on behalf of the administrator.

(3) If a person is treated under section 13 as the holder of the property only insofar as the interest of the business association in the property is concerned, the administrator, pursuant to subsection (2), may examine the records of the person if the administrator has given the notice required by subsection (2) to both the person and the business association at least 90 days before the examination.

(4) Any examination performed by the administrator or his or her duly authorized agents must be performed in accordance with the generally accepted auditing standards to the extent applicable to unclaimed property examinations. A person who has been audited by the administrator or his or her duly authorized agents or a person whose books, records, and papers have been examined by the administrator or his or her duly authorized agents shall be provided a complete copy in printed or electronic format of the audit report, which shall identify in detail the work performed, the property types reviewed, any estimation techniques employed, calculations showing the potential amount of property due, and a statement of findings as well as all other correspondence and documentation which formed a basis for the findings. Not later than 6 months after the effective date of the amendatory act that added this subsection, the administrator shall electronically file a request for rule-making with the office of regulatory reinvention pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to initiate rules on auditing standards.

(5) When the person being examined does not have substantially complete records, the administrator or his or her duly authorized agents may determine the amount of any abandoned or unclaimed property due and owing based upon a reasonable method of estimation consistent with the standards described in subsection (4). If the person being examined has filed all the required reports and has maintained substantially complete records, then all of the following apply to the examination:

(a) The examination shall include a review of the person's books and records.

(b) The examination shall not be based on an estimate.

(c) The administrator or his or her duly authorized agents shall consider all evidence presented by the holder to remediate the findings.

(6) If an examination of the records of a person results in the disclosure of property reportable and deliverable under this act, the administrator may assess the cost of the

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examination against the holder at the rate of $50.00 a day for each examiner; however, the charges shall not exceed the value of the property actually found to be reportable and deliverable. The cost of examination made pursuant to subsection (3) shall be imposed only against the business association.

(7) If a holder fails after the effective date of this act to maintain the records required by section 32 and the records of the holder available for the periods subject to this act are insufficient to permit the preparation of a report, the administrator may require the holder to report and pay an amount as may reasonably be estimated from any available records.

(8) For an eligible holder that has elected to follow the streamlined process described in section 31b, examinations shall not include checks voided within 180 days from the date of issuance of the check.

(9) As used in this section, "substantially complete records" means at least 90% of the records necessary for unclaimed property examination purposes as defined under the principles of internal controls. The determination of substantially complete records shall not be made solely as a percentage of the total overall individual records to be examined, but also on a materiality level of value of the records. The lack of greater than 10% of records in 1 particular property class to be examined does not result in the extrapolation of error in those areas in which a person has filed all the required reports and has maintained at least 90% of the overall records for that particular property class. Substantially complete records are not meant to be an absolute measurement of all available records.

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History: 1995, Act 29, Eff. Mar. 28, 1996 ;-- Am. 1997, Act 195, Imd. Eff. Dec. 30, 1997 ;-- Am. 2013, Act 148, Eff. Mar. 14, 2014 ;-- Am. 2015, Act 242, Imd. Eff. Dec. 22, 2015

Compiler's Notes: Enacting section 1 of Act 242 of 2015 provides:"Enacting section 1. This amendatory act is retroactive and applies to audits in progress as of August 15, 2015, but does not retroactively apply to contested determinations in litigation before the date of enactment of this amendatory act."

567.251a Failure of holder to report or deliver unclaimed property; notice of examination determination; request for reconsideration; notice of appeal; hearing; decision; filing action in circuit court; waiver of penalties or interest; "notice of examination determination" defined.

Sec. 31a.

(1) If the administrator determines that a holder has failed to report or deliver to the administrator unclaimed property as required by this act, the administrator shall mail to the holder by certified or registered mail a notice of examination determination, which shall include the property deliverable. The notice of examination determination shall constitute a decision of the administrator. Within 90 days after the decision of the administrator is mailed, a holder that is aggrieved of the decision may bring an action in the circuit court, or within the same period, the holder may elect to contest the decision by filing a request for reconsideration with the administrator prior to bringing an action in circuit court.

(2) If the holder elects to contest the decision in subsection (1) by filing a request for reconsideration with the administrator, in lieu of filing an action in circuit court, the holder may later file an action in circuit court under the provisions of subsection (4) or (8).

(3) The request for reconsideration shall be in writing, identify the contested property, and state the reason that the holder believes the decision is in error. The administrator shall only reconsider that portion of the property due that is identified in the request for reconsideration. The administrator may delegate a reconsideration under this subsection to an individual who is employed by the department to enforce this act.

(4) At any time prior to receipt of a reconsidered decision, the holder may file with the administrator a written notice of withdrawal of the request for reconsideration. Within 90 days after the notice of withdrawal is mailed to the administrator, the holder may file an action in circuit court.

(5) The holder shall deliver to the administrator the property that is not contested. While the request for reconsideration is pending, interest continues to accrue on all undelivered property. Payment or delivery of the contested amount due or property does not waive the right to reconsideration under subsection (3).

(6) Within 60 days of filing the request for reconsideration, the holder may submit additional documentation and written submissions to the administrator in support of the reconsideration. The administrator may meet with the holder or have informal communication with the holder as part of the reconsideration process.

(7) Within 60 days of receipt of the holder's request for reconsideration or within 60 days after the receipt of additional documentation, the administrator shall mail the holder a written decision regarding the contested property. The decision shall state the reasons and authority that support the administrator's decision. The time period for a decision in this subsection may be extended by the administrator for good cause, but shall not exceed 183 days from the day the administrator received the holder's request for reconsideration. The decision shall be mailed to the holder by certified or registered mail at the address provided in the request for reconsideration. If the holder prevails as to any portion of the contested property, the administrator shall return to the holder any property that had been delivered. That property shall be returned to the holder within 60 days as of the date of the decision.

(8) Within 90 days after mailing the decision regarding reconsideration in subsection (7), the holder may contest the decision by filing an action in circuit court, unless, within that time, the holder files an appeal with the administrator. The administrator shall select a delegate to conduct the appeal. The delegate may not be employed by, or contracted with, the department to provide auditing or administrative services for the enforcement of this act other than as a delegate for an appeal. If the holder elects to contest the decision in this subsection by filing an appeal with the administrator, in lieu of filing an action in circuit court, the holder may later file an action in circuit court under the provisions of subsection (9) or (13). The delegate shall have the knowledge, skill, and ability to qualify as an administrative law examiner under the Michigan civil service commission's job specifications.

(9) At any time, the holder may file with the administrator a written notice of withdrawal of the appeal to the administrator. Within 90 days after the notice of withdrawal is mailed to the administrator, the holder may file an action in circuit court based on the decision as reconsidered by the administrator in subsection (7).

(10) The notice of appeal under subsection (8) shall state the holder's name, mailing address, and telephone number; the name of the person or persons representing the holder; the representative's mailing address and telephone number; and the reason that holder believes the reconsidered decision of the administrator was in error. The administrator's delegate shall set the time and place for conducting a hearing on the appeal and shall give the holder written notice at least 21 days before the appeal is heard. The appeal is not subject to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. The holder may appear or be represented by any person before the delegate and may present testimony and argument. At the party's own expense and with advance notice to the other party, a holder or the delegate, or both, may make an audiorecording of the appeal.

(11) The hearing on the appeal to the administrator shall be conducted by the administrator's delegate within 90 days after the filing of the appeal unless otherwise agreed to by the parties.

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A written recommendation shall be issued by the delegate to the administrator within 90 days of the conclusion of the hearing or the submission of any posthearing documentation, whichever is later. The written recommendation shall include the reasons and the authority that support the recommendation.

(12) Within 60 days of the date of the recommendation of the delegate, the administrator shall affirm, modify, or reject all, or portions of, the reconsidered decision. The administrator shall state the reasons and authority for any action on the decision that does not follow the delegate's recommendation. A copy of the administrator's decision and a copy of the delegate's recommendation shall be mailed to the holder by certified or registered mail at the address provided in the holder's notice of appeal. If the holder prevails as to any portion of the contested property, the administrator shall return any contested property that had been remitted to the holder, including any related amount of interest or penalty paid.

(13) Within 90 days after the administrator's decision in subsection (12) is mailed, the holder may appeal the decision by filing an action in the circuit court.

(14) A holder that has requested a waiver of penalties or interest based on reasonable cause may contest any denial of a waiver through a request for reconsideration, an appeal to the administrator, or an action in circuit court as provided in this section.

(15) As used in this section, "notice of examination determination" means a notice that states the property that is deliverable by the holder to the administrator as a result of an examination.

History: Add. 2014, Act 423, Eff. Mar. 31, 2015

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567.251b Streamlined audit process; election; audit.

Sec. 31b.

(1) Eligible holders being examined by the administrator under section 31(2) may elect to follow the streamlined audit process described in this section. Eligible holders may elect the streamlined audit process by executing a nondisclosure agreement acceptable to the administrator within 30 days from the receipt of the audit notice.

(2) An audit conducted under the streamlined audit process described in this section shall meet both of the following:

(a) Be completed within a time frame jointly developed by the holder and the administrator, with the goal of completing the audit within 18 months from the receipt of the audit notice.

(b) Be conducted according to standards set forth in rules and regulations promulgated in accordance with section 31(4).

History: Add. 2015, Act 242, Imd. Eff. Dec. 22, 2015
Compiler's Notes: Enacting section 1 of Act 242 of 2015 provides:"Enacting section 1. This amendatory act is retroactive and applies to audits in progress as of August 15, 2015, but does not retroactively apply to contested determinations in litigation before the date of enactment of this amendatory act."

567.252 Maintenance of records; required time periods.

Sec. 32.

(1) A holder required to file a report under section 18, as to any property for which it has obtained the last known address of the owner, shall maintain a record of the name and last known address of the owner for 10 years, or, for the holder of records of transactions between 2 or more associations as defined under section 37(a)(2), for 5 years, after the property

becomes reportable, except to the extent that a shorter time is provided in subsection (2) or by rule of the administrator.

(2) A business association that sells in this state its travelers checks, money orders, or other similar written instruments, other than third-party bank checks on which the business association is directly liable, or that provides those instruments to others for sale in this state, shall maintain a record of those instruments while they remain outstanding, indicating the state and date of issue for 3 years after the date the property is reportable.

History: 1995, Act 29, Eff. Mar. 28, 1996 ;-- Am. 2012, Act 292, Imd. Eff. Aug. 1, 2012

567.253 Enforcement of action; jurisdiction.

Sec. 33.

The administrator may bring an action in a court of competent jurisdiction to enforce this act.

History: 1995, Act 29, Eff. Mar. 28, 1996

567.254 Agreements with other states to exchange information; advisement and consultation; enforcement; action brought by attorney general in name of another state; action brought in another state in name of administrator.

Sec. 34.

(1) The administrator may enter into an agreement with another state to exchange information needed to enable this or another state to audit or otherwise determine unclaimed property that this state or another state may be entitled to subject to a claim of custody. The administrator by rule may require the reporting of information needed to enable compliance with agreements made pursuant to this section and prescribe the form.

(2) To avoid conflicts between the administrator's procedures and the procedures of administrators in other jurisdictions that enact the uniform unclaimed property act, the administrator, so far as is consistent with the purposes, policies, and provisions of this act, before adopting, amending, or repealing rules, shall advise and consult with administrators in other jurisdictions that enact substantially the uniform unclaimed property act and take into consideration the rules of administrators in other jurisdictions that enact the uniform unclaimed property act.

(3) The administrator may join with other states to seek enforcement of this act against a person who is or may be holding property reportable under this act.

(4) At the request of another state, the attorney general of this state may bring an action in the name of the administrator of the other state in a court of competent jurisdiction to enforce the unclaimed property laws of the other state against a holder in this state of property subject to escheat or a claim of abandonment by the other state, if the other state has agreed to pay expenses incurred by the attorney general in bringing the action.

(5) The administrator may request that the attorney general of another state or any other person bring an action in the name of the administrator in the other state. This state shall pay all expenses including attorney's fees in any action under this subsection. The administrator may agree to pay the person bringing the action attorney's fees based in whole or in part on a percentage of the value of any property recovered in the action. Expenses paid pursuant to this subsection shall not be deducted from the amount that is subject to the claim by the owner under this act.

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History: 1995, Act 29, Eff. Mar. 28, 1996

567.255 Failure to pay or deliver property; penalties; waiver.

Sec. 35.

(1) A person who fails to pay or deliver property within the time prescribed by this act shall pay to the administrator interest at the current monthly rate of 1 percentage point above the adjusted prime rate per annum per month on the property or value of the property from the date the property should have been paid or delivered. The term "adjusted prime rate" means the average predominant prime rate quoted by not less than 3 commercial banks to large businesses, as determined by the department of treasury. The adjusted prime rate is to be based on the average prime rate charged by not less than 3 commercial banks during the 12-month period ending on September 30. The resulting current monthly interest rate based on the 12-month period ending September 30 will become effective on January 1 of the following year.

(2) A person who willfully fails to render any report or perform other duties required under this act shall pay a civil penalty of $100.00 for each day the report is withheld or the duty is not performed, but not more than $5,000.00.

(3) A person who willfully fails to pay or deliver property to the administrator as required under this act shall pay a civil penalty equal to 25% of the value of the property that should have been paid or delivered.

(4) A person who willfully refuses after written demand by the administrator to pay or deliver property to the administrator as required under this act is guilty of a misdemeanor and upon conviction may be punished by a fine of not less than $500.00, nor more than $25,000.00, or imprisonment for not more than 6 months, or both.

(5) The administrator or an authorized representative of the administrator may waive interest and civil fines imposed under this section.

History: 1995, Act 29, Eff. Mar. 28, 1996

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567.256 Agreement to compensate for recovery of property; enforcement; agreement between locator and apparent unclaimed property owner.

Sec. 36.

(1) An agreement to pay compensation to recover or assist in the recovery of property reported under section 18, made within 24 months after the date payment or delivery is made under section 20, is unenforceable.

(2) A written agreement between a locator and an apparent owner of unclaimed property is subject to subsection (1).

History: 1995, Act 29, Eff. Mar. 28, 1996 ;-- Am. 2016, Act 312, Imd. Eff. Oct. 6, 2016

567.256a Receipt of unclaimed property account information by locator; value; format; registration of locator; prohibition.

Sec. 36a.

(1) The administrator may sell or otherwise provide unclaimed property account information to a locator for unclaimed accounts that remain unclaimed for not less than 24 months after the date payment or delivery is made under section 20 if the value of the unclaimed property is $10,000.00 or more. The administrator shall provide the unclaimed

property account information in an electronic searchable format. The unclaimed property account information may include all of the following:

(a) The name of the apparent owner.

(b) The last known address of the apparent owner, as reported by the holder.

(c) The relationship code, if any.

(d) The type and amount of property and cash value of the property.

(2) Before the department provides information to a locator under subsection (1), the locator shall register with the department in a form and manner determined by the department and pay a fee to the department of $1,200.00. The fees collected under this subsection shall be used by the department to register and monitor locators under this act. The locator shall renew its registration and pay a fee of $1,200.00 every 4 years. To register, a locator shall provide the department a primary business address and telephone number, and the name, telephone number, and electronic mail address of the individual who will be the primary point of contact with the department. A locator is ineligible for registration if, within the immediately preceding 10 years, the individual, a current officer or owner of an entity, or a current employee of the individual or entity who performs or directs locator services was convicted of a felony involving dishonesty, deceit, fraud, or a breach of fiduciary duty.

(3) A locator who receives unclaimed property account information from the administrator under subsection (1) shall not distribute that information to other locators or any other person, other than the apparent owner, for compensation.

History: Add. 2016, Act 312, Imd. Eff. Oct. 6, 2016

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567.257 Property held, due, and owing in foreign country; applicability of act.

Sec. 37.

This act does not apply to any property held, due, and owing in a foreign country and arising out of a foreign transaction.

History: 1995, Act 29, Eff. Mar. 28, 1996

567.257a Exemptions; "association" defined.

Sec. 37a.

(1) Except with respect to property described in sections 7 and 17, this act does not apply to any credit balances, overpayments, deposits, refunds, discounts, rebates, credit memos, or unidentified remittances created on or after April 1, 2009 and issued, held, due, or owing in any transactions between 2 or more associations. This exemption does not apply to outstanding checks, drafts, or other similar instruments.

(2) As used in this section, "association" means a business association, a public corporation, or any other commercial entity, including a sole proprietorship.

History: Add. 2012, Act 144, Imd. Eff. May 24, 2012

567.258 Duty arising before effective date of act.

Sec. 38.

(1) This act does not relieve a holder of a duty that arose before the effective date of this act to report, pay, or deliver property. A holder who did not comply with the law in effect before

the effective date of this act is subject to the applicable enforcement and penalty provisions that then existed and they are continued in effect for the purpose of this subsection, subject to section 30(2).

(2) The initial report filed under this act for property that was not required to be reported before the effective date of this act but that is subject to this act must include all items of property that would have been presumed abandoned during the 10-year period preceding the effective date of this act as if this act had been in effect during that period.

History: 1995, Act 29, Eff. Mar. 28, 1996

567.259 Administrator as successor to state board of escheats.

Sec. 39.

The administrator is the successor to the state board of escheats created by former Act No. 329 of the Public Acts of 1947. A reference to the state board of escheats in any other provision of law is considered a reference to the administrator under this act.

History: 1995, Act 29, Eff. Mar. 28, 1996

567.260 Rules.

Sec. 40.

The administrator may promulgate rules necessary to carry out the provisions of this act under the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

History: 1995, Act 29, Eff. Mar. 28, 1996

567.261 Applicability and construction of act.

Sec. 41.

This act shall be applied and construed as to effectuate its general purpose to make uniform the law with respect to the subject of this act among states enacting it.

History: 1995, Act 29, Eff. Mar. 28, 1996

567.262 Applicability of act to property subject to another statute.

Sec. 42.

This act shall not apply to unclaimed, lost, or abandoned property, if the loss, abandonment, or failure to claim the property is the subject of another statute of this state that specifies to whom ownership of the property shall devolve.

History: 1995, Act 29, Eff. Mar. 28, 1996

567.263 Repealed. 1997, Act 195, Imd. Eff. Dec. 30, 1997.

Compiler's Notes: The repealed section pertained to hiring of additional personnel or independent contractors.

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567.264 Repeal of MCL 567.11 to 567.76.

Sec. 44.

Act No. 329 of the Public Acts of 1947, being sections 567.11 to 567.76 of the Michigan Compiled Laws, is repealed.

History: 1995, Act 29, Eff. Mar. 28, 1996

567.265 Effective date.

Sec. 45.

This act shall take effect January 1, 1996.

History: 1995, Act 29, Eff. Mar. 28, 1996

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