

Department of Legislative Services  
Maryland General Assembly  
2020 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 882  
Economic Matters

(Delegate Kerr, *et al.*)

Finance

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Financial Institutions - Abandoned Property - Notice and Records

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This bill requires the holder of presumed abandoned property valued at \$1,000 or more to send a specified written notice to the apparent owner by registered mail requiring a signature, rather than by first-class mail, which is required for abandoned property valued at between \$100 and \$1,000. The bill requires the holder of abandoned property valued at \$1,000 or more to keep records relating to that property for at least three years. The records must be sufficient to allow a person who is able to recover the abandoned property to establish a tax basis.

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Fiscal Summary

**State Effect:** The bill does not materially affect State operations or finances.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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Analysis

**Current Law/Background:** Title 17 of the Commercial Law Article generally governs abandoned property in the State.

The Comptroller is required to publish the names of newly reported owners of property presumed abandoned within 365 days of the filing of the report by the holder of the abandoned property if the property has a value of at least \$100. Notice of property valued at \$100 or less is not required to be published, unless the Comptroller considers publication to be in the public interest.

Any holder of presumed abandoned property is required to send written notice to the apparent owner of the presumed abandoned property, at the apparent owner's last known address, informing the owner that the holder is in possession of the property and that the property will be considered abandoned unless the owner responds to the holder within 30 days after the notification.

Generally, property is presumed to be abandoned if it is left unclaimed for three years. A person holding abandoned property must file a report with the Comptroller including information on the nature of the property and the property's presumed owner. Within 365 days after the report's filing, the Comptroller must publish a notice in a newspaper of general circulation in the county where the presumed owner's last known residence is located, naming the owner and holder of the property, and stating the means by which the owner may claim the property. The Comptroller must then mail out notices to owners of abandoned property valued at \$100 or more within 120 days of receipt of the report filed by the holders. The property must be delivered or paid to the Comptroller at the time an abandoned property report is filed, at which time the State takes custody of the property.

Within one year of taking custody of abandoned personal property the Comptroller must sell the property at auction. A person who claims a legal interest in property delivered to the Comptroller must file a claim to the property or to the proceeds from its sale. For property sold at auction, if the Comptroller allows the claim, the Comptroller must pay the claimant an amount equal to the sales price.

The Comptroller has an electronic [abandoned property database](#) on the agency's website.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Office of the Attorney General (Consumer Protection Division); Comptroller's Office; Maryland Department of Labor; Department of Legislative Services

**Fiscal Note History:** First Reader - March 4, 2020  
rh/hlb Third Reader - March 15, 2020  
Revised - Amendment(s) - March 15, 2020

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