

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 241

(Senator Guzzone)(By Request - Office of the
Comptroller)

Budget and Taxation

Economic Matters

Commercial Law – Abandoned Property – Alterations

This departmental bill specifies that, within one year after delivery of abandoned property (other than money), the Comptroller must determine whether the property has commercial value and, if applicable, the commercial value of the property. The bill also establishes that the Comptroller need not offer abandoned property for sale if the property has no commercial value. If property is not required to be offered for sale, the Comptroller may (1) return the property to the holder; (2) destroy the property; or (3) otherwise dispose of the property. Finally, the bill repeals a provision requiring notice to be provided in a newspaper of general circulation and instead requires the Comptroller to give “reasonable notice” to the public of any sale.

Fiscal Summary

State Effect: Although the Comptroller may realize cost efficiencies (primarily due to an expected reduction in storage costs), the bill is not anticipated to materially affect State finances or operations.

Local Effect: None.

Small Business Effect: The Office of the Comptroller has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

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

Sale of Abandoned Property Delivered to the Comptroller

Within one year of taking custody of abandoned personal property, the Comptroller must sell the property at auction. The sale must be to the highest bidder at public sale in whatever place in the State affords the most favorable market for the property involved. The Comptroller may decline the highest bid and reoffer the property for sale if the price bid is insufficient. The Comptroller need not offer any property for sale if the probable cost of sale exceeds the estimated value of the property.

Any sale held pursuant to these requirements must be preceded by a single publication of notice (at least three weeks in advance of the sale) in a newspaper of general circulation in the county where the property is to be sold.

The purchaser at any sale must receive title to the property purchased, free from every claim of the owner (or prior holder of it) and of every person who claims through or under them. The Comptroller must execute all documents necessary to complete the transfer of title. No action by any person may be brought or maintained against the State or any officer of the State for (or on account of) any transaction entered into pursuant to (and in accordance with) these requirements.

Background: The Comptroller advises that, under current law, the only permissible method of disposing of abandoned property is via sale, even if the property has no commercial value. This requirement has resulted in the need to store, maintain, and catalogue property without monetary value that could not be sold at auction. Under the bill, the Comptroller is authorized to dispose of such property, which may lead to a reduction in the amount of property that is held in storage.

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

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Comptroller's Office; Department of Legislative Services

Fiscal Note History: First Reader - January 31, 2023
js/jkb Third Reader - February 21, 2023

Analysis by: Eric F. Pierce

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Commercial Law – Abandoned Property – Alterations

BILL NUMBER: SB241

PREPARED BY: Justin Hayes, Director of State Affairs, COM

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

X WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

_____ WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

This bill allows the Comptroller's Office to dispose of non-valuable items of abandoned property already in its control. There is no discernible impact to small business.