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House Bill 4994 (Substitute H-3 as passed by the House)
Sponsor: Representative Angela Witwer
House Committee: Commerce and Tourism
Senate Committee: Economic and Small Business Development

Date Completed: 3-17-22

CONTENT

The bill would enact a new law to allow a person engaged in the business of shoe repair to donate unclaimed shoes left at the person's place of business if the shoes had been unclaimed for six months or more.

BACKGROUND

Under Section 3 of the Uniform Unclaimed Property Act, generally all property (tangible or intangible personal property owned by a person), including any income or increment derived from 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 three years after it becomes payable or distributable is presumed abandoned. Property is payable or distributable for the purposes of the Act, notwithstanding the owner's failure to make demand or to present any instrument or document required to receive payment.

Unless otherwise provided in the Act, property is subject to the custody of the State as unclaimed property, if the conditions raising a presumption of abandonment under Section 3 are satisfied and one or more of the following requirements are met:

- The last known address of the apparent owner is in the State.
- The records of the holder do not reflect the identity of the person entitled to the property and the last known address of the person entitled to the property is in the State.
- The records of the holder do not reflect the last known address of the apparent owner, and: a) the last known address of the person entitled to the property is in the State or b) the holder is domiciled in the State or is a government or governmental subdivision or agency of the State and has not previously paid or delivered the property to the State or the last known address of the apparent owner or other person entitled to the property.
- The last known address of the apparent owner is in a state that does not provide by law for the escheat (i.e., the reversion of property to the state) or custodial taking of the property or its escheat or unclaimed property law is not applicable and the holder is domiciled in Michigan or is a government or governmental subdivision or agency of Michigan.
- The last known address of the apparent owner is in a foreign nation and the holder is domiciled in Michigan or is a government or governmental subdivision or agency of the State.
- The transaction out of which the property arose occurred in the State, and: a) 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 and b) the holder is domiciled in a state that does not provide by law for the escheat or custodial taking of the property or its law in that regard is not applicable to the property.

Except as otherwise provided, property is not subject to the custody of the State as unclaimed property if its value is \$25 or less.

The Act requires a person holding property presumed to be abandoned to report it to the State Treasurer (i.e., Administrator); pay or deliver to the Treasurer abandoned property that must be reported; and maintain records.

Except as otherwise provided, the Administrator, within three years after receiving the abandoned property, must 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 to receive property reported under the Act that he or she considers it 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 must authorize the holder of the property to destroy or otherwise dispose of the property at any time the holder chooses.

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

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

Fiscal Analyst: Cory Savino
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