NOTICE OF PROPOSED REGULATIONS

Published August 2, 2022

In accordance with State Government Article, §10-112.1, Annotated Code of Maryland, notice is hereby given that the Comptroller of Maryland has proposed the following amendments to regulations. The published regulations can also be found here.

Title 03
COMPTROLLER OF THE TREASURY
Subtitle 05 MISCELLANEOUS REVENUE
03.05.01 Abandoned Property Regulations

Authority: Commercial Law Article, §17-103, Annotated Code of Maryland

Notice of Proposed Action
[22-114-P]

The Comptroller of Treasury proposes to adopt amendments to Regulations .01 and .02 under COMAR 03.05.01 Abandoned Property Regulations.

Statement of Purpose
The purpose of this action is to repeal regulations applying only to periods before 2003, and to clarify the effect of automatic deposits and withdrawals on the presumption of abandonment.

Comparison to Federal Standards
There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact
The proposed action has no economic impact.

Economic Impact on Small Businesses
The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities
The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment
Comments may be sent to Krista Sermon, Office of Law and Policy, Comptroller of Maryland, 80 Calvert St., Room 409b, Annapolis, MD 21401, or call 410-260-7319, or email to ksermon@marylandtaxes.gov. Comments will be accepted through August 15, 2022. A public hearing has not been scheduled.

.01 Abandoned Funds.

A. For reporting periods ending before June 30, 2002, any checking, savings, share, negotiable order of withdrawal, automatic transfer, share draft, electronic terminal account, or other similar type of account, held by a banking or financial organization, is presumed abandoned after 5 years if the depositor or shareholder has not actively deposited, withdrawn or presented the passbook or its equivalent for crediting of interest, or otherwise indicated an interest in the funds or deposit as evidenced by memorandum or correspondence from the depositor or the...
equivalent for crediting of interest, or otherwise indicated an interest in the funds or deposit as evidenced by memorandum or correspondence from the depositor on file with the banking or financial organization.]

C. Effective June 1, 2003, for reporting periods ending on or after June 30, 2003, any checking, savings, share, negotiable order of withdrawal, automatic transfer, share draft, electronic terminal account, or other similar type of account held by a banking or financial organization is presumed abandoned after 3 years, if the depositor or shareholder has not actively deposited, withdrawn, [or presented the passbook or the equivalent for crediting of interest.] or otherwise indicated an interest in the funds or deposit as evidenced by memorandum or correspondence from the depositor on file with the banking or financial organization.


(1) A depositor or shareholder shall be deemed to have actively deposited or withdrawn funds from an account covered by this regulation, thereby overcoming the presumption of abandonment described in §C of this regulation, if:
   (a) The depositor or shareholder authorized and established an automatic deposit or withdrawal;
   (b) The authorization has not been cancelled, revoked, rescinded, or otherwise terminated; and
   (c) Funds are deposited or withdrawn automatically based on the depositor or shareholder’s effective authorization.

(2) A depositor or shareholder may not be deemed to have actively deposited or withdrawn funds from an account covered by this regulation if:
   (a) The bank or financial organization automatically deposits interest or dividends earned on the account; or
   (b) The bank or financial organization automatically withdraws a service charge.

.02 Service Charges.
A.—B. (text unchanged)

[C. For purposes of Commercial Law Article, §17-308.1, an account shall be considered dormant or inactive, if, with respect to that account, the owner has for a period of 4 consecutive years, taken none of the actions set forth in Commercial Law Article, §17-301. When a service charge is permitted in these regulations, the maximum amount of the charge shall be $5 per year for an account that does not exceed $50 and $10 per year for an account that exceeds $50. The provisions of this paragraph shall expire on June 29, 2002.

D. Effective June 30, 2002 and expiring June 29, 2003, for purposes of Commercial Law Article, §17-308.1, Annotated Code of Maryland, an account shall be considered dormant or inactive, if, with respect to that account, the owner has for a period of 3 consecutive years, taken none of the actions set forth in Commercial Law Article, §17-301, Annotated Code of Maryland. When a service charge is permitted, the maximum amount of the charge shall be $5 per year for an account that does not exceed $50 and $10 per year for an account that exceeds $50.]

E. (text unchanged)