

Title 03

COMPTROLLER OF THE TREASURY

Subtitle 05 MISCELLANEOUS REVENUE

Chapter 01 Abandoned Property Regulations

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

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financial organization, is presumed abandoned after 5 years if the depositor or shareholder has not actively deposited, withdrawn or presented the passbook or its equivalent for crediting of interest, or otherwise indicated an interest in the funds or deposit as evidenced by memorandum or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 on file with the banking or financial organization.

B. Effective June 1, 2002, for reporting periods ending on or after 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financial organization is presumed abandoned after 4 years if the depositor or shareholder has not actively deposited, withdrawn, or presented the passbook or the equivalent for crediting of interest, or otherwise indicated an interest in the funds or deposit as evidenced by memorandum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.

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financial organization is presumed abandoned after 3 years, if the depositor or shareholder has not actively deposited, withdrawn, or presented the passbook or the equivalent for crediting of interest, or otherwise indicated an interest in the funds or deposit as evidenced by memorandum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.

.02 Service Charges.

A. A service charge of any type may not be made by a holder of any property presumed abandoned under Commercial Law Article, Title 17, during the period of time giving rise to presumption of abandonment unless the holder complies with the requirements set forth in Commercial Law Article, §17-308.1.

B. Except in those instances in which a service charge is properly made pursuant to §17-308.1, a holder shall report, pursuant to §17-310, the full amount appearing on the face of every instrument presumed abandoned. By way of illustration but not of limitation, instruments subject to these provisions include certificates of deposit, drafts, traveler's checks, and money orders.

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 3 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 \$10 per year for an account that does not exceed \$50 and \$20 per year for an account that exceeds \$50.

03 Liability for Interest.

A holder may not cease payment or accrual of any benefits, including dividends or interest on property, under this title, unless the holder complies with the requirements as set forth in Commercial Law Article, §17-308.1.

.04 Prohibited Agreements.

Contractual agreements are not permitted which tend to circumvent the intention of the Maryland General Assembly and provide any holder subject to this Article with a windfall or private escheat practice. The total reported shall be the amount the owner would have received had the property not been abandoned.

.05 Voluntary Reporting.

Since the Maryland law is purely custodial, any holder of unclaimed property may voluntarily report funds before the statutory due dates and be relieved of all accountability and responsibility upon delivery of the unclaimed property to this office.

06 Retirement Accounts.

The period of abandonment for accounts established pursuant to 26 U.S.C. §401(a), et seq. (commonly known as Self-Employed Retirement, or Keogh, Plans) and 26 U.S.C. §408(a), et seq. (commonly known as Individual Retirement Accounts or IRA's) may not begin until such time as distribution of all or part of the property constituting the respective account shall be, under the terms of the retirement plan, mandatory.

.07 Automatically Renewable Certificates of Deposit.

The period of abandonment for any property automatically renewable according to its terms that is subject to 17-301 and 17-308 shall commence after the expiration of its initial term. If, at the time provided for delivery in §17-312, a penalty or forfeiture in payment of interest would result from the delivery of that property, the time for delivery shall be extended until such time as no penalty or forfeiture would result.