



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 388 (as reported without amendment)
Senate Bill 389 (Substitute S-1 as reported)
Sponsor: Senator Veronica Klinefelt
Committee: Veterans and Emergency Services

CONTENT

Senate Bill 389 (S-1) would amend the Uniform Unclaimed Property Act (UUPA) to establish a dormancy period of five years for specified properties if the owner were a member of the United States Armed Forces on active-duty military service or in the reserve component on active orders.

Senate Bill 388 would amend Part 4 (Members) of the Credit Union Act to lengthen the time a member may have an inactive designation on an account at a domestic credit union to agree with Senate Bill 389.

Senate Bill 389 would apply to property on and after its effective date.

MCL 567.225 et al. (S.B. 389)
MCL 490.355 (S.B. 388)

BRIEF RATIONALE

According to testimony, active-duty military service can be a very stressful period in a military member's life, which can lead to members forgetting about accounts or other properties under the purview of the UUPA. In addition, some have concern that current dormancy periods for active-duty military members are unclear in statute, which may increase the possibility of forgotten properties. It has been suggested that establishing a five-year dormancy period for specified properties of active-duty military or reserve component members could reduce the likelihood of military members' properties going unclaimed and escheating to the State.

Legislative Analyst: Alex Krabill

FISCAL IMPACT

The bills would have an indeterminate fiscal impact on the State and no fiscal impact on local units of government. The Department of Treasury (DoT) could receive fewer unclaimed properties from credit unions by increasing the length of time an account could have an inactive designation for active military personnel. The DoT also could receive additional unclaimed properties from other institutions by reducing the dormancy periods for military personnel to the time frames outlined in Senate Bill 389. This is unlikely to have a significant increase or decrease on the number of unclaimed properties that are turned over to the State annually.

Date Completed: 10-4-23

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