

May 19, 2025

Honorable Joe Baldacci, Chair
Honorable Suzanne Salisbury, Chair
Maine Joint Committee on State and Local Government
c/o Legislative Information Office
100 State House Station
Augusta, ME 04333

RE: LD 1969, an Act to Amend the Maine Revised Unclaimed Property Act

Dear Chair Baldacci, Chair Salisbury and Members of the Joint Committee on State and Local Government:

Thank you, on behalf of Fidelity Investments, for the opportunity to comment and express our opposition to LD 1969 which would make substantial changes to Maine's Revised Unclaimed Property Act.

Fidelity provides services to more than 100,000 Maine residents who are saving and investing with the objective of realizing their unique goals in life. We currently employ 61 associates in Maine with about half working at our investor center in Portland providing financial guidance and education to Maine residents. Fidelity's overarching mission is to strengthen the financial well-being of our customers and to deliver better outcomes to the clients and businesses we serve.

Fidelity opposes LD 1969 due to its proposed shift to an inactivity standard for dormant customer accounts, where a lack of customer activity alone would be a presumption of abandonment. Specifically, the legislation would:

- Remove the existing returned mail (RPO) standard for multiple property types, including certain retirement accounts, securities, and custodial accounts for minors. These types of accounts are frequently held for extended periods of time as long-term investment strategies.
- Establish a new and similar standard for virtual currencies and require that the account be liquidated upon escheatment.
- Significantly increase risk to customers with diverse investment strategies and whose property is not truly "lost."

Importantly, these changes to the state's unclaimed property policy would greatly increase the risk of escheatment for thousands of Maine residents. According to our calculation, there would be a nearly 3,000% increase in the number of Fidelity customers in Maine who are put at risk of escheatment if this bill is enacted into law. What's more, when investment accounts are escheated, they are normally liquidated into cash. That means that these customers' savings would stop earning interest and dividends upon escheatment.

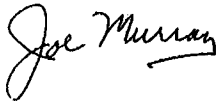
Passage of this bill will negatively impact Maine consumers in several ways, including:

- Changes to the standard relative to tax-advantaged retirement accounts (e.g. Roth IRAs) would eliminate returned communication from the account owner as a dormancy trigger
 - Instead, the new inactivity dormancy standard would trigger if the owner does not take a distribution within 3 years of the federal requirement

- Similar changes to the standard for custodial accounts for minors would eliminate returned communication from the account owner as a dormancy trigger
 - Instead, the dormancy standard would trigger if the owner does not take a distribution within 3 years after the "last indication of interest"
- Similar changes to the standard for securities would eliminate returned communication from the account owner as a dormancy trigger
 - Instead, the dormancy standard would trigger 3 years after the owner's "last indication of interest"
- Adoption of a new standard for virtual currency would create a presumption of abandonment at 5 years after the "last indication of interest" and would require the financial institution to liquidate the virtual currency holdings so that the account does not earn any further interest

Fidelity understands the importance of the law where it fulfills its intended purpose: the custodial escheat of assets for owners who are truly lost. This bill goes beyond that. For that reason and the others outlined above, we respectfully urge the Joint Committee on State and Local Government to vote "Ought Not to Pass" on LD 1969 due to the unintended consequences listed which would put the savings of thousands of Maine residents at risk of escheatment. Thank you for your willingness to address our concerns. If Committee members have any questions, please contact me at (603) 689-3301 or joseph.murray@fmr.com.

Sincerely,



Joe Murray
VP, Government Relations & Public Affairs
Fidelity Investments