

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1231-02
Bill No.: HCS for HB 401
Subject: Property, Real and Personal; Treasurer, State
Type: Original
Date: March 29, 2011

Bill Summary: Would exempt certain intangible property due or owed by a business association from the provisions relating to unclaimed property and the Uniform Disposition of Unclaimed Property Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	\$0	(\$1,000,000) to (\$3,000,000)	(\$1,000,000) to (\$3,000,000)
Total Estimated Net Effect on General Revenue Fund	\$0	(\$1,000,000) to (\$3,000,000)	(\$1,000,000) to (\$3,000,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State** assume this proposal would have no fiscal impact on their organization.

Officials from the **Department of Insurance, Financial Institutions, and Professional Registration** assumed a previous version of this proposal would have no fiscal impact on their organization.

Officials from the **Office of the State Treasurer (STO)** assume this proposal would allow businesses to keep certain business-to-business unclaimed property rather than turn it over to the state. Therefore, the proposal would reduce the amount of unclaimed property that is transferred to the General Revenue Fund each year.

In response to a previous version of this proposal STO officials stated that the total transferred for FY 2010 was \$33,292,325, and that \$10,271,670 of that amount was for business unclaimed property. STO officials estimated that the transfer from unclaimed property to the General Revenue Fund would be reduced anywhere from \$1 million to \$3 million for this version of the proposal.

Oversight notes that the STO is required to transfer unclaimed property received from business holders to the General Revenue Fund if the owners do not claim it within one year. Therefore, if this proposal was enacted and became effective in August of 2011, any reduction in the amount of property received from businesses could begin in September 2011, and would be reflected in reduced transfers to the General Revenue Fund beginning in September 2012 (FY 2013).

For fiscal note purposes, Oversight will use the STO estimate of business unclaimed property.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE FUND			
<u>Loss - STO</u>			
Reduction in unclaimed property transferred.	\$0	<u>(\$1,000,000) to (\$3,000,000)</u>	<u>(\$1,000,000) to (\$3,000,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>(\$1,000,000) to (\$3,000,000)</u>	<u>(\$1,000,000) to (\$3,000,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal would have a direct fiscal impact to small businesses which owe or are owed funds by other businesses.

FISCAL DESCRIPTION

The proposed legislation would exempt certain intangible property due or owed by a business association from the provisions relating to unclaimed property and the Uniform Disposition of Unclaimed Property Act.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

L.R. No. 1231-02
Bill No. HCS for HB 401
Page 5 of 5
March 29, 2011

SOURCES OF INFORMATION

Office of the Secretary of State
Office of the State Treasurer
Department of Insurance, Financial Institutions, and Professional Registration

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large, prominent "M" and "W".

Mickey Wilson, CPA
Director
March 29, 2011