

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5760-01
Bill No.: Truly Agreed To and Finally Passed HB 1693
Subject: Treasurer, State
Type: Original
Date: May 22, 2014

Bill Summary: This proposal changes the laws regarding unclaimed property.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	Unknown	Unknown	Unknown
Total Estimated Net Effect on General Revenue Fund	Unknown	Unknown	Unknown

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
*Abandoned Fund	\$0	\$0	\$0
State Schools Money Fund	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown	Unknown	Unknown

* Abandoned U.S. Savings Bond Revenue will net to \$0.

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§ 447.534, 447.560, and 447.584 - Unclaimed Property:

Officials from the **Office of the State Treasurer (STO)** estimates that there would be a positive fiscal impact to the Abandoned Fund Account of at least \$777,835. This number was figured by determining the face value of the 6,932 bonds currently held by STO. However, please note that the payout for these bonds could be higher than the face value and that some of these bonds currently in possession have not matured, and thus are not subject to the provisions of the proposal.

STO assumes there will be an unknown positive impact to General Revenue if:

- The Abandoned Fund Account sees a positive fiscal impact of at least \$777,835; and
- The following provision in Section 447.543.2 is triggered:
 - "At any time when the balance of the account exceeds one-twelfth of the previous fiscal year's total disbursement from the abandoned property fund, the treasurer may, and at least once every fiscal year shall, transfer to the general revenue of the state of Missouri the balance of the abandoned fund account which exceeds one-twelfth of the previous fiscal year's total disbursement from the abandoned property fund."

STO assumes there will also be an unknown positive impact to the State Schools Moneys Fund. This number is difficult to estimate but would represent five percent of net transfers to General Revenue from the Abandoned Fund Account.

STO notes Subsection 2 of Section 447.543 of the Revised Missouri Statutes, requires that every time the Treasurer transfers money from the Abandoned Funds Account to General Revenue, 5% of that net amount must be transferred to the State School Money Fund.

STO estimates a positive impact of \$777,835 to the Abandoned Fund Account, however this could fluctuate because the estimate is based on the face value of the current (mature and non-matured) bonds, **Oversight** will estimate a positive unknown fiscal impact to the Abandoned Fund Account, the General Revenue Fund and the State Schools Money Fund.

ASSUMPTION (continued)

Officials from the **Office of the Secretary of State** and the **Office of the State Courts Administrator** each assume the proposal will have no fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2015	FY 2016	FY 2017
GENERAL REVENUE			
<u>Transfer-In</u> - from Abandoned Fund Acct § 447.534 - Abandoned U.S. Savings Bonds (95%)	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
STATE SCHOOLS MONEY FUND			
<u>Transfer-In</u> - from Abandoned Fund Acct § 447.534 - Abandoned U.S. Savings Bonds (5%)	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT TO THE STATE SCHOOLS MONEY FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ABANDONED FUND ACCOUNT*			
<u>Revenue</u> - STO § 447.534 - Abandoned U.S. Savings Bonds	Unknown	Unknown	Unknown
<u>Transfer-Out</u> - STO § 447.534 - Abandoned U.S. Savings Bonds to General Revenue & State Schools Money Fund	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT TO THE ABANDONED FUND ACCOUNT	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

* Abandoned U.S. Savings Bond Revenue will net to \$0.

<u>FISCAL IMPACT - Local Government</u>	FY 2015	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

§§ 447.534, 447.560, and 447.584 - Unclaimed Property:

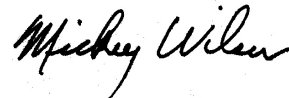
This proposal changes the laws regarding a United States savings bond that is unclaimed property. The proposal specifies that a United States saving bond must be deemed abandoned if it has remained unclaimed for more than three years after the date of maturity.

This proposal has an emergency clause.

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

SOURCES OF INFORMATION

Office of the State Treasurer
Office of the Secretary of State
Office of the State Courts Administrator



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Director
May 22, 2014

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