

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6561
BILL NUMBER: SB 303

NOTE PREPARED: Dec 22, 2009
BILL AMENDED:

SUBJECT: Unclaimed Property.

FIRST AUTHOR: Sen. Hershman
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill reduces from five years to three years the period after which the following property is considered abandoned for purposes of the state's unclaimed property act:

1. A demand, savings, or matured time deposit.
2. Property payable as a result of a demutualization, rehabilitation, or related reorganization of a mutual insurance company.
3. All other property not otherwise specified under the unclaimed property act.

The bill makes a technical amendment to one provision of the unclaimed property act to reflect another provision of the unclaimed property act that specifies that the act does not apply to:

4. a business-to-business credit memorandum; or
5. gift certificates.

Effective Date: July 1, 2010.

Explanation of State Expenditures:

Explanation of State Revenues: The bill would increase the revenue into the Abandoned Property Fund. By reducing the time frame from five to three years, in FY 2011 the state could get a one-time additional two years of revenue for certain abandoned property. The following is the abandoned property revenue that has been collected over the last four years: \$65 M in FY 2009, \$69 M in FY 2008, \$67.4 M in FY 2007, and \$72.6 M in FY 2006. The change could increase the revenue into the fund by up to about \$130 M in FY 2011.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Treasurer.

Local Agencies Affected:

Information Sources: Auditor's Revenue Database

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