

BILL ANALYSIS

H.B. 1306
By: Heflin
Appropriations
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law prescribes that unclaimed money in bank accounts escheat to the state. That money could be used to create a fund designed to give grants to local organizations such as child welfare boards, community theaters, museums, and programs for the elderly, if such money were instead escheated to the county. A sparsely populated county needs additional financial resources to foster programs dedicated to improving the quality of life in the county, especially when significant local resources are recaptured by the state to help fund other programs and services.

As an example, in 2008, The University of Texas System earned, conservatively, \$19 million in oil revenue, surface damages, and lease fees from its holdings in Reagan County. The school district estimates that it will pay almost \$9 million in recapture money to the state. Reagan County funded approximately \$28 million from local sources to the state in 2008. The 2008 property taxes paid by The University of Texas System to Reagan County were roughly \$170,000.

Creating a fund from money from unclaimed bank accounts will help rural and sparsely populated counties compensate for the money they are required to give to the state.

H.B. 1306 authorizes certain counties to deliver money reported to the comptroller of public accounts as presumed abandoned to a fund established by the county to benefit the county instead of delivering the money to the comptroller and authorizes such money to be distributed in the form of grants to nonprofit, nonreligious organizations that work for the betterment of the county through education, recreation, culture, or protecting the health and safety of the county.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1306 amends the Property Code to authorize a county having a population of less than 25,000, in which the state or one of its political subdivisions, including an institution of higher education, owns more than 25 percent of the land in the county, to deliver money reported to the comptroller of public accounts as presumed abandoned to a fund established by the county to benefit the county instead of delivering the money to the comptroller. The bill authorizes the money in the county fund to be distributed in the form of grants to nonprofit, nonreligious organizations that work for the betterment of the county through education, recreation, culture, or protecting the health and safety of the county. The bill requires a county to file with the comptroller a verification of money delivered to such a fund that complies with the requirements of the statement that must accompany presumed abandoned property delivered to the comptroller. The bill requires a claim for money delivered to a county's fund to be filed with the county that delivered the money. The bill requires the county to pay the claim if the county

determines in good faith that the claim is valid. The bill authorizes a person aggrieved by a claim decision to file suit against the county in a district court in the county in accordance with provisions relating to an appeal of a claim for delivered property that is presumed abandoned. The bill requires the comptroller to prescribe the forms and procedures governing the bill's provisions, including forms and procedures relating to notice of presumed abandoned property, delivery of reported money to the county fund, and filing of a claim.

EFFECTIVE DATE

September 1, 2009.