

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 20, 2011

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB257 by Hilderbran (Relating to certain unclaimed property that is presumed abandoned.),
As Passed 2nd House

Estimated Two-year Net Impact to General Revenue Related Funds for HB257, As Passed 2nd House: a positive impact of \$277,700,000 through the biennium ending August 31, 2013.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	\$0
2013	\$277,700,000
2014	\$0
2015	\$0
2016	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from General Revenue Fund 1
2012	\$0
2013	\$277,700,000
2014	\$0
2015	\$0
2016	\$0

Fiscal Analysis

The bill would implement the recommendation in the report, "Reduce the Unclaimed Property Dormancy Period for Certain Property Types" in the Legislative Budget Board's Government Effectiveness and Efficiency Report, submitted to the Eighty-second Texas Legislature, 2011. The bill would decrease the unclaimed property dormancy period for utility deposits from three years to 18 months; money orders from seven years to three years; and bank deposits, savings accounts, and matured certificates of deposits from five years to three years.

The bill would increase the allowable service, maintenance, or other charges assessed by money order issuers from \$0.50 to \$1 per month.

The bill would change the due date for unclaimed property that is transferred to the state from November 1 to July 1 of each year.

Provisions regarding the due date change for unclaimed property which would take effect January 1,

2013. All other provisions would take effect September 1, 2011.

Methodology

The Comptroller based its estimated gain related to the dormancy period changes from its files for the three property types identified in the bill. The agency's estimate reflects a one-time gain of \$77,700,000 million in fiscal 2013 associated with these provisions.

The agency derived its estimate for the unclaimed property due date change based on its experience with unclaimed property reporting in general. An estimated one-time gain of \$200 million in fiscal year 2013 would result from this change.

The increase in service, maintenance, and other fees that could be assessed by money order issuers would not affect the projected revenue gain because the dormancy period decrease from seven years to three years would offset any potential losses.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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