

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**February 23, 2015**

**TO:** Honorable John Zerwas, Chair, House Committee on Higher Education

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB227** by Guillen (Relating to disposition of certain unclaimed money by local telephone exchange companies.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB227, As Introduced: a negative impact of (\$2,400,000) through the biennium ending August 31, 2017.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$1,200,000)
2017	(\$1,200,000)
2018	(\$1,200,000)
2019	(\$1,200,000)
2020	(\$1,200,000)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from Local Rural Scholarship Fund	Probable Revenue Gain/(Loss) from Local Rural Economic Development Fund
2016	(\$1,200,000)	\$200,000	\$1,000,000
2017	(\$1,200,000)	\$200,000	\$1,000,000
2018	(\$1,200,000)	\$200,000	\$1,000,000
2019	(\$1,200,000)	\$200,000	\$1,000,000
2020	(\$1,200,000)	\$200,000	\$1,000,000

**Fiscal Analysis**

The bill would amend Chapter 74 of the Property Code, regarding the report, delivery and claims process for unclaimed property. The bill would change the title of Section 74.3011 from "Delivery of Money to Rural Scholarship Fund" to "Delivery of Money to Rural Scholarship Fund and Economic Development Fund."

Under current law, Section 74.3011 allows a local telephone exchange company to deliver

unclaimed money to a scholarship fund outside the state treasury for needy students from rural areas to attend college, technical school, or another postsecondary educational institution. Otherwise, the unclaimed money is delivered to the Comptroller for deposit to the General Revenue Fund. The bill would allow a local telephone exchange company also to deliver unclaimed money to a rural economic development fund to enable rural, low-income, underserved areas to promote or support economic development and stimulate infrastructure development in those areas.

Under current law, the total amount of money from all local telephone companies that is delivered to a rural scholarship fund cannot exceed \$800,000 in a state fiscal year. The bill would increase the maximum annual delivery amounts to \$1 million for each of the two funds.

The bill would take effect September 1, 2015.

### **Methodology**

The bill could reduce the amount of unclaimed money delivered to the Comptroller by up to \$1.2 million annually. The two rural funds, both of which are outside the State Treasury, could receive up to \$1.2 million in new or additional deliveries of unclaimed money.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

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