

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

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 14, 2017**

**TO:** Honorable René Oliveira, Chair, House Committee on Business & Industry

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

**IN RE:** **HB2650** by Villalba (Relating to the presumption of membership initiation deposits as abandoned property.), **Committee Report 1st House, Substituted**

**The bill could result in an undetermined loss to the General Revenue Fund depending on the number and value of membership initiation deposits which would no longer be presumed abandoned and remitted to the state due to the provisions of the bill.**

The bill would amend Chapter 72 of the Property Code to provide that a membership initiation deposit, as defined by the bill, is not presumed abandoned if the member has forfeited the deposit or the deposit is included as discharge of indebtedness income on federal income tax return of the business that sold the membership.

The bill would take effect immediately upon receipt of a two-thirds vote of all members elected to each house; otherwise, the bill would take effect September 1, 2017.

According to the Comptroller, the bill could reduce the remittance of unclaimed property to the Comptroller, which is deposited to the General Revenue Fund. However, the number and value of membership initiation deposits that would no longer be presumed abandoned is unknown and the fiscal impact cannot be estimated.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

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

**LBB Staff:** UP, CL, NV, LCO