

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 8, 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 treatment of membership initiation payments as abandoned personal property.), **As Introduced**

The bill could result in an undetermined loss to the General Revenue Fund depending on the number and value of membership initiation payments 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 payment that is refundable under the membership agreement terms is not presumed abandoned if the member has not forfeited the refund and the person receiving the membership initiation payment incurs discharge of indebtedness income on state and/or federal tax returns when due. 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 payments 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