

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

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

**March 27, 2017**

**TO:** Honorable Tan Parker, Chair, House Committee on Investments & Financial Services

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

**IN RE: HB2964** by Meyer (Relating to abandonment of shares of a mutual fund.), **As Introduced**

**The bill would result in an undetermined loss to the General Revenue Fund depending on the value of shares in a mutual fund for which the presumption of abandonment would be deferred due to reinvestment in the mutual fund.**

The bill would amend Chapter 72, Property Code, relating to abandonment of personal property to specify the three year period leading to a presumption of abandonment of shares in a mutual fund to begin on the later of the date of: (1) the last investment in the mutual fund made by or on behalf of the owner, or (2) the last payment to the owner or reinvestment by or on behalf of the owner of a dividend from a mutual fund. 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 of Public Accounts, currently, the three year period leading to a presumption of abandonment begins when communication to an owner is returned as undeliverable. The bill would replace the current establishment of abandonment and would provide that if a mutual fund reinvests within three years, the shares will not be reported as unclaimed property, which would result in a decrease in unclaimed property remitted to the state and deposited to the General Revenue Fund. The number and value of shares in a mutual fund which would be impacted by the bill cannot be estimated at this time.

**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, AG