

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**March 22, 2021**

**TO:** Honorable Chris Turner, Chair, House Committee on Business & Industry

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB1981** by Craddick (Relating to the release by the comptroller of unclaimed property to certain persons.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1981, As Introduced : a negative impact of (\$538,000) through the biennium ending August 31, 2023. In addition, the bill could result in an indeterminate increase in the payment of unclaimed property claims.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

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

<i>Fiscal Year</i>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2022	(\$269,000)
2023	(\$269,000)
2024	(\$269,000)
2025	(\$269,000)
2026	(\$269,000)

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

<i>Fiscal Year</i>	<b>Probable (Cost) from General Revenue Fund 1</b>	<b>Probable Savings/(Cost) from General Revenue Fund 1</b>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$269,000)		2.0
2023	(\$269,000)		2.0
2024	(\$269,000)		2.0
2025	(\$269,000)		2.0
2026	(\$269,000)		2.0

**Fiscal Analysis**

The bill would amend Section 74.501 of the Property Code, regarding approval of unclaimed property claims filed with the Comptroller, to give the Comptroller authority to approve the claim of a person holding limited power of attorney from the reported owner or the owner's heirs that authorizes the person to receive the unclaimed property.

**Methodology**

According to the Comptroller's office, the administrative cost includes the funds necessary to hire two additional Attorney IV full-time equivalents (FTEs) to handle the anticipated workload increase. In fiscal year 2019, the Comptroller's Unclaimed Property Division approved or denied 239,466 claims. The agency's estimate assumes five percent of approved or denied claims would be third-party power of attorney claims authorized by the bill, or approximately 12,000 claims. Assuming a fraud incident rate of one percent, the Comptroller expects approximately 120 additional fraud cases. According to the agency, this would require one full time Comptroller litigation attorney to coordinate the handling of 60 cases per year, resulting in the need for two additional Attorney IV FTEs. It is assumed that the total administrative cost to hire two Attorney IV's would total \$269,000, including salary, employee benefits, payroll contribution, and operating expenses.

### **Local Government Impact**

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

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

**LBB Staff:** JMc, SZ, LCO, MBO