

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0431-01
Bill No.: HB 64
Subject: Property, Real and Personal; Treasurer, State
Type: Original
Date: March 21, 2011

Bill Summary: Changes the laws regarding unclaimed property and abandoned property.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	\$0	\$1,600,000	\$1,600,000
Total Estimated Net Effect on General Revenue Fund	\$0	\$1,600,000	\$1,600,000

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration, Missouri Department of Conservation (MDC), Missouri Department of Transportation, Missouri State Employees' Retirement System, County Employees' Retirement Fund, Missouri Local Government Employees Retirement System, Public School and Education Employee Retirement Systems of Missouri, Kansas City Public School Retirement System, Missouri Sheriffs' Retirement System, St. Louis County, Parkway School District, East Central College, Linn State Technical College, Lincoln University, Missouri Southern State University, Missouri State University, University of Central Missouri, Missouri Western State University and Metropolitan Community College** assume the proposal would have no significant fiscal impact on their agencies.

Officials from the **University of Missouri (University)** do not expect the proposed legislation to have a significant fiscal impact on the University.

Officials from the **City of Kansas City** state the proposal will have a small negative impact on the city due to lost interest income because of the shortened abandonment period on payroll checks. Occasionally the City of Kansas City issues payroll checks that are sometimes not cashed.

Officials from the **Office of State Treasurer (STO)** state when there is a change in unclaimed property regulations, approximately 50% of businesses comply the first year, even though the law has been set in statute. The remaining 50% of organizations comply with the changes in the second year. For this reason, the increase in unclaimed property has been divided between FY 13 and FY 14. The STO's Unclaimed Property Division reviewed the amount of payroll checks it receives annually that have been reported as abandoned. Based on this review, the STO assumes it will receive an additional \$1.6 million for each FY 13 and FY 14. No additional funds will be received thereafter.

No other local governments responded to **Oversight's** request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE FUND			
<u>Income - STO</u>			
Increase in abandoned property receipts, unclaimed payroll checks	<u>\$0</u>	<u>\$1,600,000</u>	<u>\$1,600,000</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>\$1,600,000</u>	<u>\$1,600,000</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal may have a minimal administrative impact on small businesses as they will be required to transmit unclaimed payroll checks to the Treasurer's Office after on year.

FISCAL DESCRIPTION

This proposal changes the unclaimed property abandonment period for payroll checks from five years to one year beginning January 1, 2012. If abandoned property turned over to the state is listed solely in the name of a government entity or political subdivision, the amount reported may be made available as public information.

This legislation is not federally mandated, would not duplicate any other program, and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

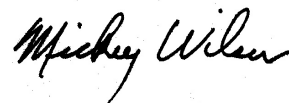
Office of Administration
 Missouri Department of Transportation
 Missouri Department of Conservation
 Missouri State Employees' Retirement System
 County Employees' Retirement Fund

HWC:LR:OD

SOURCES OF INFORMATION (continued)

Missouri Local Government Employees Retirement System
Office of State Treasurer
Public School and Education Employee Retirement Systems
Missouri Sheriffs' Retirement System
Kansas City Public School Retirement System
St. Louis City
Parkway School District
East Central College
Linn State Technical College
Lincoln University
Metropolitan Community College
Missouri Southern State University
Missouri State University
Missouri Western State University
University of Central Missouri
University of Missouri

Mickey Wilson, CPA

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large initial "M".

Director
March 21, 2011