

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4650-01
Bill No.: HB 1689
Subject: County Treasurer: Abandoned Property
Type: Original
Date: March 15, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	\$2,000,000	\$2,000,000	\$2,000,000
Total Estimated Net Effect on General Revenue Fund	\$2,000,000	\$2,000,000	\$2,000,000

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
State School	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$2,000,000	\$2,000,000	\$2,000,000

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Office of State Treasurer** stated that currently unclaimed funds from checks issued by counties go to the Unclaimed Property Division of the State Treasurer's Office. Officials stated that these funds never vest title in the State of Missouri and are always available to be claimed by the original owner or their heir in perpetuity. Officials stated that if counties are allowed to retain funds from unclaimed checks issued by the counties there would be an estimated \$2,000,000 reduction in contributions to General Revenue Fund annually, and there would be a \$100,000 reduction in contributions to the Public School Fund annually.

Officials of the **Office of the Director of Administration for St. Louis County** stated that this bill would increase County's general revenue approximately \$40,000 on average per year. Currently, per County Ordinance 7441, dated 4-1-75, the County may transfer dormant funds (unclaimed checks drawn on the County Treasurer) which have been inactive for a period of three (3) years to the appropriate operating fund. This annual transfer was treated as revenue. Any subsequent claims for the dormant funds would be investigated and paid upon approval.

In 1994, due to a direct conflict between ordinance 7441 and state statute, the County ended the transfer of dormant funds to revenue and has subsequently been holding unclaimed funds in a special transit fund until legal resolution could be determined regarding status of the funds. Currently, the total unclaimed property held in this transit fund totals in excess of \$400,000.

ASSUMPTION (continued)

Officials of the **Office of County Treasurer for Nodaway County** stated that this proposal would have fiscal impact on their county. Officials stated that current practice is that after holding unclaimed money for three years they turn it over to the State Treasurer's Office. This proposal would allow the county to retain those funds. Officials estimate that the county would retain approximately \$5,000 annually for use in county funds.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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GENERAL REVENUE FUND

<u>Loss</u> to State General Revenue Fund From reduction in contributions from county's unclaimed funds.	<u>(\$2,000,000)</u>	<u>(\$2,000,000)</u>	<u>(\$2,000,000)</u>
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ESTIMATED NET EFFECT TO STATE GENERAL REVENUE FUND	<u>(\$2,000,000)</u>	<u>(\$2,000,000)</u>	<u>(\$2,000,000)</u>
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STATE SCHOOL FUND

<u>Savings</u> to State School Fund From less distribution to schools.	\$100,000	\$100,000	\$100,000
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<u>Loss</u> to State School Fund From reduction in contributions from county's unclaimed funds.	<u>(\$100,000)</u>	<u>(\$100,000)</u>	<u>(\$100,000)</u>
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ESTIMATED NET EFFECT TO STATE SCHOOL FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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COUNTY FUNDS

<u>Income</u> to County Funds From unclaimed monies.	<u>\$2,000,000</u>	<u>\$2,000,000</u>	<u>\$2,000,000</u>
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<u>FISCAL IMPACT - Local Government</u> (continued)	FY 2007 (10 Mo.)	FY 2008	FY 2009
ESTIMATED NET EFFECT TO LOCAL GOVERNMENT*	<u>\$2,000,000</u>	<u>\$2,000,000</u>	<u>\$2,000,000</u>

*** Oversight assumes County Commissions would determine which County Fund unclaimed money would be deposited.**

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This bill exempts checks written by a county from the laws regarding unclaimed property. The funds from checks issued by counties but not cashed within five years will revert to a fund specified by the county.

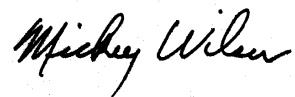
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Treasurer - Unclaimed Property Division
Director of Administration - St. Louis County
Nodaway County Treasurer

NOT RESPONDING

Oversight sent response request to County Treasurers on the Oversight list, however, not all have responded.



Mickey Wilson, CPA
Director
March 15, 2006