

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5636-01
Bill No.: HB 2035
Subject: Banks and Financial Institutions; Treasurer, State
Type: Original
Date: April 4, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Missouri Legacy Trust	\$32,900,000	\$47,100,000	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$32,900,000	\$47,100,000	\$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	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration (COA) - Administrative Hearing Commission, COA - Division of Accounting, Department of Economic Development - Division of Credit Unions, and Department of Insurance** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of State Treasurer (STO)** state the proposal will result in an increase to the Missouri Legacy Trust of \$32.9 million FY 07 and \$47.1 million in FY 08.

Oversight obtained information from the STO reporting Abandoned Fund transfers. After the initial increase in funds that will allow transfers to the Missouri Legacy Trust Fund, abandoned fund amounts should revert back to the average/baseline amounts. Therefore, the STO does not anticipate significant funds being transferred to the Missouri Legacy Trust Fund for FY 09.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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MISSOURI LEGACY TRUST FUND

HW-C:LR:OD (12/02)

Transfer-In - Office of State Treasurer

Transfer of unclaimed property amounts exceeding \$20 million	<u>\$32,900,000</u>	<u>\$47,100,000</u>	<u>\$0</u>
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ESTIMATED NET EFFECT ON MISSOURI LEGACY TRUST FUND	<u>\$32,900,000</u>	<u>\$47,100,000</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal changes the laws regarding lost and unclaimed property. In its main provisions, the proposal: (1) Specifies that deposit accounts will include savings accounts, checking accounts, certificates of deposit, and money market accounts; (2) Reduces from seven to five years the period of most abandonments beginning January 1, 2006; (3) Creates the Missouri Legacy Trust Fund, administered by the Office of the State Treasurer. The fund may receive moneys from appropriations by the General Assembly, the Abandoned Fund Account, interest receipts, donations, or any other payments made by any public or private entity. Interest accrued by the fund will be used solely for college financial assistance to those participating in Missouri's 529 College Savings Plan and for the administration of the trust; and (4) Requires that, beginning July 1, 2006, and each fiscal year thereafter, the first \$20 million transferred from the Abandoned Fund Account will go to general revenue and any excess over that amount will go to the Missouri Legacy Trust Fund.

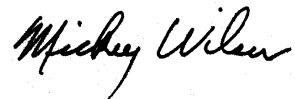
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration -
 Administrative Hearing Commission

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Division of Accounting
Department of Economic Development -
Division of Credit Unions
Department of Insurance
Office of State Treasurer

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

Mickey Wilson, CPA
Director
April 4, 2006