

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4494-01  
Bill No.: HB 1716  
Subject: Property, Real and Personal; Treasurer, State  
Type: Original  
Date: February 15, 2010

---

Bill Summary:           Modifies the law relating to lost and unclaimed property.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	\$1,600,000	\$1,600,000	\$0
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$1,600,000</b>	<b>\$1,600,000</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

---

## **FISCAL ANALYSIS**

---

### **ASSUMPTION**

Officials from the **Missouri Department of Transportation, Missouri Department of Conservation, Missouri State Employees' Retirement System, Missouri County Employees' Retirement Fund, Missouri Local Government Employees Retirement System, Police Retirement System of St. Louis, Public School and Education Employee Retirement Systems, Public School Retirement System of the City of St. Louis, Sheriffs' Retirement System, City of Centralia, St. Louis County, Francis Howell School District, East Central College, Linn State Technical College, Lincoln University, Metropolitan Community College, Missouri Southern State University, Missouri Western State College, University of Central Missouri, and University of Missouri** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Administration** defer to the Office of State Treasurer for response regarding the potential fiscal impact of this proposal.

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 11 and FY 12. 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 11 and FY 12. No additional funds will be received thereafter.

Officials from the **City of Kansas City** state the proposal would have a small negative fiscal impact on the City because it shortens the abandonment period on payroll checks. Occasionally the City of Kansas City issues payroll checks that are sometimes not cashed.

**Oversight** assumes the small negative fiscal impact that may be experienced by the City of Kansas City can be absorbed.

Officials from **Missouri State University (MSU)** state they will incur approximately \$900 in additional labor expense for accounting research for the year of implementation and will lose approximately \$709 in interest if this proposal becomes law.

**Oversight** assumes MSU will be able to absorb the \$900 in additional labor costs.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
<b>GENERAL REVENUE FUND</b>			
<u>Office of State Treasurer</u>			
Unclaimed payroll checks	<u>\$1,600,000</u>	<u>\$1,600,000</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>\$1,600,000</u></b>	<b><u>\$1,600,000</u></b>	<b><u>\$0</u></b>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2011 (10 Mo.)	 FY 2012	 FY 2013
	<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 one year.

FISCAL DESCRIPTION

This proposal changes the unclaimed property abandonment period for payroll checks from five years to one year beginning January 1, 2011.

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

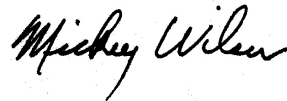
SOURCES OF INFORMATION

Office of Administration  
 Missouri Department of Transportation  
 Missouri Department of Conservation  
 Missouri State Employees' Retirement System  
 Office of State Treasurer  
 Missouri County Employees' Retirement Fund  
 Missouri Local Government Employees Retirement System  
 Police Retirement System of St. Louis

HWC:LR:OD

SOURCES OF INFORMATION (continued)

Public School and Education Employee Retirement Systems of Missouri  
Public School Retirement System of the City of St. Louis  
Sheriffs' Retirement System  
City of Centralia  
City of Kansas City  
St. Louis County  
Francis Howell 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

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
February 15, 2010