

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4297H.011
 Bill No.: HB 2234
 Subject: Real and Personal Property; Taxation and Revenue - Property; Political
 Subdivisions; County Officials; State Treasurer
 Type: Original
 Date: February 25, 2026

Bill Summary: This proposal requires counties to report and transfer unclaimed surplus proceeds from real property tax sales to the Unclaimed Property Division of the State Treasurer after three years.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Abandoned Fund Account (1863)*	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

*Oversight assumes the unknown revenue could exceed the \$250,000 threshold.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Local Government	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

§140.230 – Surplus Proceeds from Tax Sales

Officials from the **Office of the State Treasurer (STO)** assume this proposal will have an unknown impact on the Unclaimed Property Division. Once STO determines the actual impact, STO will know if additional staff or other resources will be needed.

After further inquiry by **Oversight**, STO assumes any cost can be absorbed for now and if additional staff are needed, then STO will request additional appropriations.

Oversight assumes if the counties still have funds after the end of three years, then these funds must be reported and transferred to the Unclaimed Property Division of the Office of the State Treasurer. This would result in a revenue gain to the STO and a revenue loss to counties. Oversight assumes the unknown revenue gain to the STO could exceed the \$250,000 threshold.

Oversight has requested additional information from the STO regarding which fund account will be used to transfer any unclaimed property from counties. Upon the receipt of this information, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note if needed. Oversight will therefore assume any unclaimed property from the counties will go to the Abandoned Fund Account (1863) for this proposal.

Officials from the **Phelps County Sheriff's Office** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other counties, county recorders and sheriff offices were requested to respond to this proposed legislation but did not. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
ABANDONED FUND ACCOUNT (1863)			
<u>Revenue Gain</u> – STO (\$140.230) Potential revenue from County unclaimed funds that must be transferred to the STO p.3	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT ON THE ABANDONED FUND ACCOUNT (1863)	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Loss</u> – Counties (\$140.230) Potential loss of revenue from transferring unclaimed funds to the STO p.3	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

Currently, surplus proceeds from tax sales become a permanent school fund of the county if they are not distributed or called for as part of a redemption or collector's deed issuance after three years.

This bill requires such surplus proceeds to be transferred to the Unclaimed Property Division of the Office of State Treasurer instead.

The bill also requires counties to notify the former owner of the property of the transfer and the person's right to reclaim the money.

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
Phelps County Sheriff's Office



Julie Morff
Director
February 25, 2026



Jessica Harris
Assistant Director
February 25, 2026