

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4297H.02C  
 Bill No.: HCS for HB 2234  
 Subject: Real and Personal Property; Taxation and Revenue - Property; Political  
 Subdivisions; County Officials; Office of State Treasurer  
 Type: Original  
 Date: March 12, 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
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**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
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

\*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
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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
<b>Local Government</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

**§140.230 – Surplus Proceeds from Tax Sales**

Officials from the **Office of the State Treasurer** and the **Phelps County Sheriff’s Office** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**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 notes in §140.230.2(1) that when a sale is made, the proceeds of the sale can also go to the school fund of the county after 3 years if the funds have not been distributed. Therefore, Oversight will also show a potential revenue loss of \$0 or unknown to school districts.

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
<b>ABANDONED FUND ACCOUNT (1863)</b>			
<u>Revenue Gain – STO (§140.230)</u> 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>
<b>ESTIMATED NET EFFECT ON THE ABANDONED FUND ACCOUNT (1863)</b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Revenue Loss – School Districts</u> (§140.230.2) Potential loss of revenue from transferring unclaimed funds to the STO p.3	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Revenue Loss – Counties</u> (§140.230) Potential loss of revenue from transferring unclaimed funds to the STO p.3	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

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 requires counties to notify the former owner of the property of the transfer and the person's right to reclaim the money within 30 days after the county makes such transfer.

This bill requires the county commission to issue payment of the surplus funds to the entitled party within 60 days of receiving the proof of entitlement to those funds.

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  
March 12, 2026



Jessica Harris  
Assistant Director  
March 12, 2026