

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6494

BILL NUMBER: SB 188

NOTE PREPARED: Feb 18, 2021

BILL AMENDED: Feb 18, 2021

SUBJECT: Revised Uniform Unclaimed Property Act.

FIRST AUTHOR: Sen. Koch

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill repeals the Unclaimed Property Act and replaces it with the Revised Unclaimed Property Act. It also makes conforming amendments.

Effective Date: July 1, 2021.

Explanation of State Expenditures: This bill makes changes to the treatment of unclaimed and abandoned property in Indiana. Provisions of this bill will affect any state agency that is in possession of unclaimed property, but the most significant changes primarily affect the Office of the Attorney General. The Attorney General will need to amend policies and procedures regarding all aspects of its responsibilities regarding the disposition of unclaimed property. These changes will include changes to notification procedures, record keeping, security of personally identifiable information, and the ultimate return or sale of property. It also requires that, on request, the Attorney General will deliver a report to the Treasurer of State detailing the disposition of and proceeds from the sale of unclaimed property. These changes do not significantly expand the responsibilities of the Office of the Attorney General because the Attorney General is responsible for the majority of these matters under current law. This bill will create a short-term workload increase for all affected state agencies and may require additional resources to implement initially. Impact on the long-term workload of the Attorney General will be minor.

Explanation of State Revenues: (Revised) This bill allows the Attorney General to impose interest fees and civil penalties on a putative holder that fails to report, pay or deliver property to the Attorney General in the time prescribed by the bill. Penalties are assessed daily with cumulative maximums of up to \$25,000 in addition to an amount equal to 25% of the value of the property in question. These fees and penalties could significantly increase the amount of revenue received from the sale of unclaimed property. Actual revenue effects of these provisions will depend on actions by the Attorney General.

The bill repeals the Class B misdemeanor for willfully refusing to pay or deliver property to the Attorney General, which could result in a minor reduction in revenue to the Common School Fund (from fines) and the state General Fund (from court fees). The maximum fine for a Class B misdemeanor is \$1,000. However, any decrease in revenue due to this provision would likely be small.

As under current law, this bill provides that proceeds from the sale of unclaimed property, minus certain allowable expenses, are deposited with the Treasurer of State into the Abandoned Property Fund, and at least once per year the balance in excess of \$500,000 is transferred to the General Fund. Transfers from the Abandoned Property Fund to the General Fund were \$36.5 M in FY 2018, \$25 M in FY 2019, and \$50 M in FY 2020.

Explanation of Local Expenditures: There could be a minor savings in local expenditures due to the repeal of a Class B misdemeanor. A Class B misdemeanor is punishable by up to 180 days in jail.

Explanation of Local Revenues: There could be a minor decrease in revenue from court fees for local government due to the repeal of a Class B misdemeanor.

State Agencies Affected: Office of the Attorney General; All state agencies that are in possession of unclaimed property.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: <https://www.indianaunclaimed.gov/>, State Budget Agency Auditor's Database.

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