

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 348** HLS 13RS 837
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 15, 2013 5:17 PM	Author: ARNOLD
Dept./Agy.: State Treasury	Analyst: Travis McIlwain
Subject: Unclaimed Property	

PROPERTY/UNCLAIMED OR DECREASE GF RV See Note Page 1 of 1
 Provides relative to the Uniform Unclaimed Property Act

Proposed law provides that an action by the State Treasurer to enforce the provisions of the unclaimed property act shall not be maintained against a Federal Deposit Insurance Corporation (FDIC) insured institution for any violation that occurred more than 3 years prior to the most recently completed auditable period which ends June 30 of each year. Proposed law provides that an FDIC insured institution shall be required to maintain unclaimed property reports for 3 years prior to the end of the most recently completed auditable period, which is June 30th of each year.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

This legislation limits the auditable period for the State Treasury for FDIC insured institutions from 10 years to 3 years. According to the State Treasury, Louisiana's Unclaimed Property Law is based on the national Unclaimed Property Law. Twenty-three state require records be kept for 10 years. In addition, State Treasury reports that the state receives an average of \$10 million per year in self-reported unclaimed property from FDIC insured institutions, of which 40% of such receipts are from records older than 3 years. Without the authority to audit beyond the three-year period, the treasury will not be able to confirm amounts reported from older than three years ago. This could result in a loss of revenue collections.

Pursuant to R.S. 9:165, 93% of unclaimed property receipts are deposited into an Escrow Fund in the State Treasury (pays out unclaimed property claims) and the remaining 7% is available to the State Treasury for administrative costs of the program. At the end of the fiscal year, the remaining funds in the escrow account (less a minimal amount that is annually kept in the escrow account to pay claims) are transferred to the state general fund and is a revenue resource forecasted by the Revenue Estimating Conference (REC).

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

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