

## Department of Planning and Budget 2003 Fiscal Impact Statement

**1. Bill Number** HB2462

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed

**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron**    Hargrove

**3. Committee**    Courts of Justice

**4. Title**    Unclaimed property; demutualization proceeds

**5. Summary/Purpose:** The bill provides that unclaimed property that became payable or distributable in the course of the demutualization of an insurance company is presumed to be abandoned five years after the earlier of (i) the date of last contact with the policyholder or (ii) the date the property became payable or distributable.

**6. Fiscal Impact Estimates are preliminary:**

**6a. Expenditure Impact:** None.

**6b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2002-03	\$0	-	NGF
2003-04	\$20 million	-	NGF

**7. Budget amendment necessary:** No, the revenue is reflected in the Governor's introduced budget bill (HB 1400).

**8. Fiscal implications:** Under current law the proceeds of a demutualization of an insurance company are considered abandoned five years after the date of demutualization. This bill would provide that such proceeds are considered abandoned as early as five years after the last contact the insurance company had with a policyholder. This would result in the property becoming abandoned earlier and thus submitted to the state. The Department of the Treasury estimates that \$20 million would be collected in fiscal year 2004 as a result of this bill. The proceeds from unclaimed property are deposited to the Literary Fund.

**9. Specific agency or political subdivisions affected:** Department of the Treasury.

**10. Technical amendment necessary:** No.

**11. Other comments:** SB 1133 is an identical bill introduced by Senator Norment.

**Date:** 01/20/03/mst

**Document:** G:\GaSessions\2003Session\Fis\Hb2462.Doc  
cc: Secretary of Finance