

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number HB275

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron Purkey

3. Committee Passed Both Houses

4. Title Interest paid to owners of unclaimed property

5. Summary/Purpose: The bill clarifies the applicable rate of interest to be paid to the owners of unclaimed property if the property was interest bearing and the holder fails to report the applicable interest rate. Current statutory language sets forth the interest rate to be paid on interest-bearing property reported by a holder that reports the interest rate earned while in the possession of the holder. The statute requires the State Treasurer to add interest at a rate of five percent or such lesser rate as the property earned while in possession of the holder. This bill sets an applicable interest rate of five percent or such lesser rate as determined by the one year Treasury Constant Maturity Rate as published by the Board of Governors of the Federal Reserve System as of November 1 of the report year for interest-bearing property reported by a holder that failed to report the interest rate of the property reported.

6. No Fiscal Impact: SEE ITEM 8.

7. Budget amendment necessary: No

8. Fiscal implications: The bill is not expected to have any fiscal impact. The State Treasurer may in some cases use a lower interest rate (which is a current market rate) on interest on claimed accounts, which would result in the payment of less interest. This will make the payment of interest more equitable since some owners may receive the five percent rate because the holder of the property did not report an interest rate, even though the account actually had a interest rate of less than five percent.

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

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 03/10/04 / mst

Document: G:\Ga Sessions\2004 Session\Fis\Hb275ER.Doc

cc: Secretary of Finance