

Department of Planning and Budget

2016 Fiscal Impact Statement

1. Bill Number: HB577

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

2. Patron: Robinson

3. Committee: Courts of Justice

4. Title: Interpleader; earnest money deposits.

5. Summary: This bill provides that in any interpleader case before the court involving an earnest money deposit or other funds held in escrow by a real estate broker, such funds shall be treated as abandoned intangible personal property in accordance with §§ 55-210.8 and 55-210.10:2; however, the court may enter an order directing the funds be paid to (i) one or more of the stakeholders or (ii) the Virginia Department of Housing and Community Development, payable to the State Treasurer, and credited to the Virginia Housing Trust Fund established pursuant to § 36-142, provided that, in the case of clause (ii), (a) such funds have been abandoned for more than one year from the date of written notice from the real estate broker holding such escrow funds to all stakeholders and claimants and (b) the plaintiff and defendants are in default in such interpleader action. Any party may exercise a right of appeal to the circuit court under § 8.01-129. In the event that judgment is vacated under § 8.01-428, the judge may enter an order directing the State Treasurer to refund such funds to the court escrow account within one year of the entry of the order directing such funds to be paid to the Virginia Housing Trust Fund.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate.

8. Fiscal Implications: This fiscal impact of this bill is indeterminate. The bill allows, but does not require, civil courts to direct funds related to interpleader cases involving an earnest money deposit or other funds held in escrow to the Department of Housing and Community Development to be credited to the Virginia Housing Trust Fund. The amount of potential funding that may be provided to the Commonwealth from the courts is unknown.

9. Specific Agency or Political Subdivisions Affected: Department of Housing and Community Development; local courts.

10. Technical Amendment Necessary: No.

11. Other Comments: None.