

Department of Planning and Budget 2007 Fiscal Impact Statement

1. Bill Number HB1732

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

2. Patron Purkey

3. Committee General Laws

4. Title Escheat funds; requirement to report and remit to State Treasurer.

5. Summary/Purpose: The bill exempts holders of unclaimed property from reporting unclaimed property to the Commonwealth that has a value belonging to any single owner of the property of \$15 or less pursuant to the Virginia Uniform Disposition of Unclaimed Property Act.

6. Fiscal Impact Estimates are: Preliminary. See item 8, below.

7. Budget amendment necessary: No.

8. Fiscal implications: The Department of the Treasury administers the Uniform Disposition of Unclaimed Property Act, which is a uniform law adopted by all 50 states. The Department of the Treasury serves as the custodian of unclaimed (tangible and intangible) personal property until the rightful owner of the property can be located. Unclaimed property accounts are reportable to the state of the owner's last known address. The act requires holders of property belonging to Virginia citizens, but with whom the holder cannot locate to return the property, to report that property to the Commonwealth (Treasury). Once reported, Treasury's Division of Unclaimed Property's responsibility is to locate the rightful owner and return the property. During the location process, funds received from the holders are deposited to the state's Literary Fund and used to make low-interest loans to localities for school construction and other K-12 educational purposes. The Commonwealth holds property received from holders in perpetuity until the rightful owner is located.

Treasury estimates that the bill will have a negative revenue impact to the state's Literary Fund, and result in a Literary Fund revenue reduction of \$3 million to \$3.5 million annually. This estimate is based on information from 1997 through 2005.

At present, no adjustment would be needed to appropriated funds from the Literary Fund in HB1650/SB750. There are sufficient balances in the Literary Fund to address current funding obligations.

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

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 01/09/07/tmw

Document: G:\2007 Session\Fiscal Impact Statements\HB1732.Doc

cc: Secretary of Finance
Secretary of Education