

Department of Planning and Budget

2015 Fiscal Impact Statement

1. Bill Number: HB2341

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: Davis

3. Committee: General Laws

4. Title: Disposition of unclaimed property; contents of reports; notice published by State Treasurer.

5. Summary: Adds a requirement for the inclusion of the estimated value of the unclaimed property in the report submitted by a holder of funds or property presumed abandoned. The bill also requires the State Treasurer to include in the notices published by him the date of delivery of such property.

6. Budget Amendment Necessary: Yes, Item 136.

7. Fiscal Impact Estimates: Preliminary, see Item 8.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2015	\$0	-
2016	\$70,000	General
2017	\$70,000	General
2018	\$70,000	General
2018	\$70,000	General
2020	\$70,000	General
2021	\$70,000	General

8. Fiscal Implications: This legislation would require the Department of the Treasury to include the date of delivery of property remitted to the unclaimed property program when advertising notices of property assumed abandoned. Treasury indicates that the Division of Unclaimed Property (UCP) spends an average of \$142,000 per year on the advertisements required by §55-210.13, *Code of Virginia*. UCP places the advertisements in regional newspapers across the state once a year. The regional advertisements are currently between 12 pages to 40 pages, depending on the population of the newspaper's circulation area. The current format fits in nine newspaper columns across each page. Each of the newspaper columns contains two columns, one for the name of the property owner and one for the associated account number.

UCP indicates that to include the date of receipt would require either larger columns or additional newspaper columns than under the current format. Adding an additional column which includes the date would increase the printing area by 50 percent, or half a page for each existing page. UCP notes that printing costs will increase as more pages will be required, and that advertisement insertion costs will increase because those costs are calculated based on the number of pages. UCP estimates that these costs will increase by approximately \$70,000 per year, but may be higher depending on the volume of property remitted. UCP notes that the majority of property included in the annual advertisements is property that has been remitted in the last year.

Additional administrative costs to UCP reduce the amount of unclaimed property revenue that can be deposited into the Literary Fund. A percentage of unclaimed property remittances are transferred to the Literary Fund, which is used to finance school construction and provide support for the state's share of teacher retirement contributions required by the Standards of Quality. Decreasing Literary Fund deposits by \$70,000 will require an increase of \$70,000 from the general fund to offset the reduced Literary Fund support for teacher retirement.

9. Specific Agency or Political Subdivisions Affected: Department of the Treasury,
Department of Education

10. Technical Amendment Necessary: No.

11. Other Comments: None.

C: Secretary of Finance

Date: February 2, 2015

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