

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 430** HLS 23RS 28

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 18, 2023 4:49 PM	Author: COUSSAN
Dept./Agy.: Treasury/Unclaimed Property	Analyst: Kimberly Fruge
Subject: Unclaimed Property - Fiduciary Agent	

PROPERTY/UNCLAIMED OR INCREASE SG EX See Note Page 1 of 1
 Authorizes payments from unclaimed funds to certain agents for locating, delivering, recovering, or assisting in the recovery of unclaimed property

Proposed law provides for a fiduciary agent who acts as a representative of an owner in locating, delivering, recovering, or assisting in the recovery of property to the owner; removes the 24-month wait period after property was presumed abandoned for an owner to compensate a fiduciary agent; sets the compensation amount of the fiduciary agent at a maximum of ten percent of the total claim value; provides for the process through which the fiduciary agent is paid through the administrator.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will result in an increase in SGR expenditures by the Treasury from Unclaimed Property Fees to make changes to the Unclaimed Property Database that will allow a fiduciary agent to submit a contract and collect their fee and to handle the potential increase in the number of claims made by fiduciary agents. The department indicates it contracts the database management out to a third-party and estimates the costs to change the database management system to be \$20,000.

The department indicates that under current law, with the 24-month waiting period, there are not many fiduciary agents, as defined in proposed law, in operation. The Treasury believes proposed law will likely lead to an increase in the number of unclaimed property claims where fiduciary agents contract with owners and are thus eligible to receive a fee. To handle the increase and change to the process, the Treasury estimates they will need two Accounting Specialists with a combined salary and related benefits of \$114,382 (\$57,191 each) to review the agent's contracts and setup additional payments. In addition, the department estimates it will need \$5,000 in equipment for the two new T.O. positions. The LFO cannot corroborate the increased workload predicted by the department. To the extent the additional workload is less than what the Treasury anticipates, the additional workload may be absorbable, either wholly or partially, using existing staff and resources or may be achievable with fewer than two positions.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
Interim Deputy Fiscal Officer