

LEGISLATIVE FISCAL OFFICE
Fiscal Note



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

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action: **W/ SEN FLOOR AMD**

Proposed Amd.:

Sub. Bill For.:

Date: June 4, 2023	7:38 PM	Author: COUSSAN
Dept./Agy.: Treasury/Unclaimed Property		Analyst: Kimberly Fruge
Subject: Unclaimed Property - Fiduciary Agent		

PROPERTY/UNCLAIMED EGF 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; 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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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 there are not many fiduciary agents, as defined in proposed law, in operation. To the extent proposed legislation leads to a significant increase in the number of fiduciary agents who enter into contracts and require payment increases, the increased workload may not be absorbable with existing staff. In this instance, the Treasury may require additional T.O. positions, likely Account Specialist -- \$57,191 in salary and related benefits. The number of additional positions, if necessary, will depend on the increased number of fiduciary contracts the department realizes as a result of this measure.

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
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Interim Deputy Fiscal Officer