



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill # HB89

Title: Allowing for de Minimis Refund of Unclaimed Property

Primary Sponsor: R. Lynch

Status: As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2014</u> <u>Difference</u>	<u>FY 2015</u> <u>Difference</u>	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	(\$5,250)	(\$5,250)	(\$5,250)	(\$5,250)
Net Impact-General Fund Balance:	<u>(\$5,250)</u>	<u>(\$5,250)</u>	<u>(\$5,250)</u>	<u>(\$5,250)</u>

Description of fiscal impact: This bill allows for a refund of unclaimed property of \$2,000 or less on a closed estate, regardless of the value of the estate, without having to reopen it.

FISCAL ANALYSIS

Assumptions:

- Under current law, closed estates with a value of greater than \$50,000 have to be re-opened (72-3-1016, MCA) which can cost an individual claimant or family \$400 – \$1,000. As a result, claimants often aren't willing to spend the money to re-open the estate when the value of the unclaimed property claim is small (*de minimis*).
- The department processes approximately 6,000 applications per year for unclaimed property, approximately 10% (600 claims) are from successors. The department is aware of approximately 30 cases per year where successors do not collect their property as they would be required to re-open an estate. For this fiscal note it is assumed that one-half of these 30 cases would use the provisions of this bill to reclaim property. It is further assumed that the claims would be for one-half the mid-point cost of reopening an estate (\$700) or \$350 per claim. The general fund would be reduced by approximately \$5,250 per year under the "Other Revenue" category (15 x \$350 = \$5,250).
- This bill does not create any additional administrative costs to the department. This bill simplifies the process for claimants with otherwise unclaimed property valued at less than \$2,000 by eliminating the requirement that the estate be reopened.

	<u>FY 2014</u> <u>Difference</u>	<u>FY 2015</u> <u>Difference</u>	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
Department of Revenue				
<u>Revenues:</u>				
General Fund (01)	<u>(\$5,250)</u>	<u>(\$5,250)</u>	<u>(\$5,250)</u>	<u>(\$5,250)</u>
TOTAL Revenues	<u>(\$5,250)</u>	<u>(\$5,250)</u>	<u>(\$5,250)</u>	<u>(\$5,250)</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$5,250)	(\$5,250)	(\$5,250)	(\$5,250)

Sponsor's Initials

Date

Budget Director's Initials

Date