

## FISCAL NOTE

### SB 1228 - HB 1309

March 9, 2001

**SUMMARY OF BILL:** Amends the Uniform Disposition of Unclaimed Property Act to provide that:

- no outstanding check, draft, credit balance, customer's overpayment or unidentified remittance issued to a business entity or association as part of a commercial transaction in the ordinary course of business shall be presumed abandoned.
- the treasurer can not require an alleged holder to deliver property to the treasurer that has been presumed abandoned for more than 10 years.
- when the treasurer determines that a person is holding abandoned property that should have been paid or delivered to the treasurer, that the party may file a complaint in Davidson County Chancery Court for a decision on whether the treasurer's determination was invalid. The suit must to be brought within 6 months from the date that the person to whom it is addressed receives the treasurer's determination.
- authorizing a fee payment or commission based on a percentage of the amount or value of property found or asserted to be abandoned is prohibited.
- the amount of funds to be remitted to the Treasurer for gift certificates required to be turned over as unclaimed property is reduced from 100% to 60%.

### ESTIMATED FISCAL IMPACT:

#### Decrease State Revenues - Exceeds \$100,000

- The state treasurer reports that during the year ended June 30, 2000 third party auditors were able to locate and remit funds to the treasurer totaling \$3.4 million. The third party vendors received fees of about 12% of the total property received. To the extent that an hourly fee or flat fee reduces the incentive for a firm to discover unclaimed property, then the state would realize a deduction in revenues.
- Reporting gift certificates at 60% of value as opposed to 100% is estimated to result in a reduction in state revenues.
- The amount of revenue reduction cannot be determined but is estimated to exceed \$100,000.

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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