

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 348** HLS 13RS 837
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action: **W/ SEN FLOOR AMD**
 Proposed Amd.:
 Sub. Bill For.:

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Dept./Agy.: State Treasury	Analyst: Travis McIlwain
Subject: Unclaimed Property	

PROPERTY/UNCLAIMED EGF DECREASE GF RV See Note Page 1 of 1
 Provides relative to the Uniform Unclaimed Property Act

Proposed law provides that an action by the State Treasurer to enforce the provisions of the unclaimed property act shall not be maintained against a Federal Deposit Insurance Corporation (FDIC) insured institution for any violation that occurred more than 6 years prior to the most recently completed auditable period which ends June 30 of each year. Proposed law provides that an FDIC insured institution shall be required to maintain unclaimed property reports for 6 years prior to the end of the most recently completed auditable period, which is June 30th of each year. Proposed law provide that any funds remaining in all Crescent City Connection GeauxPass toll tag accounts shall be immediately reported and transferred to the state treasurer in his capacity as administrator of the Uniform Unclaimed Property Act. Proposed legislation creates the Geaux Pass Transition Fund and provides that all unexpended funds on June 30, 2014 shall be appropriated as follows: an amount not to exceed 30% appropriated to DOTD for operational costs of the former CCCD ferries and the remainder to the New Orleans Regional Planning Commission for lighting, grass cutting and landscaping.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$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

REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Ded./Other	SEE BELOW	\$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						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The State Treasury can handle returning GeauxPass Toll Tag Account proceeds with existing staff and resources.

Any remaining funds in the Geaux Pass Transition Fund Account as of June 30, 2014 will utilized for the operation and maintenance of the bridge. The specific amount that will be remaining is unknown at this time.

REVENUE EXPLANATION

This legislation limits the auditable period for the State Treasury for FDIC insured institutions from 10 years to 3 years. According to the State Treasury, Louisiana's Unclaimed Property Law is based on the national Unclaimed Property Law. Twenty-three state require records be kept for 10 years. In addition, State Treasury reports that the state receives an average of \$10 million per year in self-reported unclaimed property from FDIC insured institutions, of which 10% of such receipts are from records older than 6 years. Without the authority to audit beyond the six-year period, the treasury will not be able to confirm amounts reported from older than six years ago. This could result in a loss of revenue collections.

Pursuant to R.S. 9:165, 93% of unclaimed property receipts are deposited into an Escrow Fund in the State Treasury (pays out unclaimed property claims) and the remaining 7% is available to the State Treasury for administrative costs of the program. At the end of the fiscal year, the remaining funds in the escrow account (less a minimal amount that is annually kept in the escrow account to pay claims) are transferred to the state general fund and is a revenue resource forecasted by the Revenue Estimating Conference (REC).

Geaux Pass Transition Fund

This bill transfers to the State Treasury Unclaimed Property Program an anticipated \$8.2 million from the following locations: 1.) all funds remaining in any Geaux Pass account (\$1.62 million), 2.) monetary funds remaining for toll tag deposits for all Geaux Pass accounts with the primary designation of the Crescent City Connection Bridge that have had no activity on LA 1 since July 1, 2012 (\$3.24 million), 3.) all tolls paid to cross the Crescent City Connection Bridge for the period from January 1, 2013 to March 5, 2013 (\$3.3 million). This legislation provides for these transferred funds to be deposited into the newly created Geaux Pass Transition Fund.

After the Treasury attempts to return all funds, all unexpended monies remaining on June 30, 2014 shall be used for the operation and maintenance of the bridge. More specifically, an amount not to exceed 30% appropriated to DOTD for operational and maintenance costs and the remaining funds appropriated to the New Orleans Regional Planning Commission for lighting, ground improvements, and landscaping.

NOTE: To the extent this proposed law is enacted, State Treasury may need an FY 14 appropriation from the Geaux Pass Transition Fund in order to return the estimated \$8.2 million in funds.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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