



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

HOUSE BILL NO. 2092

PRINTER'S NO. 3143

PRIME SPONSOR: Bizzarro

### COST / (SAVINGS)

FUND	FY 2024/25	FY 2025/26
General Fund	See Fiscal Impact	See Fiscal Impact

### SUMMARY:

Amends the Fiscal Code to authorize the Treasury Department to automatically return unclaimed property that is valued less than \$10,000.

### ANALYSIS:

House Bill 2092, Printer's Number 3143 amends Act 176 of 1929, known as The Fiscal Code, to make several changes to the unclaimed property process. It authorizes the Treasury Department to automatically return unclaimed property without requiring the filing of a claim if:

- The person receiving the property is the sole owner of the property
- The property is valued at \$10,000 or less
- There is sufficient evidence that the person is the owner of the property
- Identifying information has been verified during the preceding year

If the Treasury Department identifies a person who would otherwise qualify for the automatic return of unclaimed property, but the claim exceeds \$10,000, the Treasury Department must notify the person through the use of the verified identifying information.

Furthermore, the legislation imposes new duties on the Treasury Department, including maintaining a searchable database of unclaimed property on its website and enabling electronic submission of documents. It also mandates the Treasury Department to publish information facilitating public access to unclaimed property search tools and guidelines for electronic fund transfers related to approved claims.

Additionally, the legislation requires the Treasury Department to establish a data-sharing program to locate or verify identity information of individuals listed in the Treasury Department's records as owners of unclaimed property at least annually in collaboration with other state agencies.

The legislation requires the Treasury Department to submit an annual report on the status of unclaimed property and the actions taken by the department to increase awareness of unclaimed property to the chair and minority chair of both Senate and House of Representatives by July 30<sup>th</sup>.

### Use of Funds from unclaimed property:

The legislation raises the amount of funds retained by the State Treasurer from 20% to 25% of deposits and sums paid to the State Treasurer. It requires that these additional 5% of deposits and sums must be used to implement education and outreach campaign and to design educational material to inform the public of the unclaimed property process.

### Increase in Penalties:

This legislation raises penalties for violations as follows:

- First offense: maximum penalty raised from \$1,000 to \$10,000
- Second offense: maximum penalty raised from \$5,000 to \$15,000

- Third or subsequent offense: a person is guilty of felony of third degree and a maximum penalty of \$100,000

This Act shall take effect in 60 days.

**FISCAL IMPACT:**

The Treasury Department estimates that enactment of this legislation would increase the amount of unclaimed property that is returned to its rightful owner by \$6 million. As a result, the General Fund may realize a reduction in revenue of approximately \$6 million. Furthermore, this legislation requires an additional 5% from the transfer of unclaimed property to be retained in a separate trust fund in the Treasury Department, further reducing the amount deposited in the General Fund. According to the Treasury Department, this would have been a total of \$22.6 million in 2023 based on that year's collections.

The collection of penalties by the department may result in increased revenue received by the commonwealth. However, the number of individuals that would be in violation and have penalties assessed is unknown at this time.

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**DATE:** July 11, 2024

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*