

SESSION OF 2015

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2196

As Amended by House Committee on Taxation

Brief*

HB 2196, as amended, would make a change to the Unclaimed Property Act to authorize government entities to dispose of, as they see fit, any abandoned financial instruments valued at \$20 or less which have been held for one year.

Background

At the House Committee hearing, proponents, who included representatives of the Unified Government of Wyandotte County/Kansas City, the Kansas Association of Counties, and the League of Kansas Municipalities, said that it had become quite expensive administratively to track many low-amount checks each month before ultimately turning the property over to the State Treasurer as unclaimed property.

The original bill would have applied more broadly to all forms of unclaimed property valued at \$20 or less. The House Taxation Committee amended the bill to clarify that it would only apply to certain financial instruments.

The fiscal note on the original bill prepared by the Division of the Budget, which is believed to be applicable to the amended version, indicated that State General Fund (SGF) receipts would decrease initially by about \$53,000 in FY 2016. Of this amount, \$15,000 in small checks from state agencies and \$38,000 in small checks from other governmental entities would no longer be credited to the SGF as unclaimed property. The fiscal note also indicated that the state would recover an estimated \$25,600 in FY 2016 from abandoned small state checks that have been issued and deposited previously in the SGF as unclaimed property.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org> .