

OFA BILL ANALYSIS

SSB 502

AN ACT CONCERNING EXPENDITURES FOR THE ADMINISTRATION OF THE UNCLAIMED PROPERTY PROGRAM WITHIN THE OFFICE OF THE STATE TREASURER AND THE COMMERCIAL RECORDING DIVISION WITHIN THE OFFICE OF THE SECRETARY OF THE STATE

SUMMARY: The bill as amended removes the administrative expenses of the Unclaimed Property Unit in the Office of the State Treasurer from the General Fund and establishes a non-lapsing account for this purpose. The operating expenses will be supported by escheat claims and the remainder of this revenue will continue to be deposited in to the General Fund. Further, the bill allows the State Treasurer to pay all claims from the unappropriated resources of the General Fund. Previously, the payment was limited to \$25,000 or 7% of gross receipts from the previous fiscal year, and this has required the Treasurer to request the Finance Advisory Committee to transfer additional resources in order to pay the claims. Finally, the bill reduces the rate of interest paid on claims from 5.25% to 4%.

The bill as amended would also authorize the State Treasurer to establish a non-lapsing commercial recording account from which the administrative expenses of the Corporation's Division within the Office of the Secretary of the State will be funded.

Senate "B" changed the total amount that is to be deposited in the commercial recording account in FY 1992-93 from \$1,712,383 to \$1,970,383.

EFFECTIVE DATE: July 1, 1992

COMMITTEE ACTION

Appropriations Committee

Joint Favorable Substitute
Yea 39 Nay 2

GD/tc
502-1.ba