

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2158

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

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Measure Description:

Clarifies role of State Treasurer with respect to unclaimed property and escheated estates.

Government Unit(s) Affected:

Department of State Lands (DSL), Oregon State Treasurer (OST), School Districts

Summary of Fiscal Impact:

Costs related to the measure are anticipated to be minimal - See analysis.

Analysis:

The measure creates three new funds to implement the transfer of the Unclaimed Property Program and the Estates and Escheated Property Program from the Department of State Lands (DSL) to the Oregon State Treasurer (OST), per Senate Bill 454 (Oregon Laws 2019, chapter 678), which transferred administration of these programs from DSL to OST. The measure creates the Unclaimed Property School Fund within the Common School Fund, the Legacy Unclaimed Property School Fund within the Common School Fund, and the Unclaimed Property and Estates Fund.

The Unclaimed Property School Fund is continuously appropriated to OST to administer the fund and consists of moneys appropriated or transferred to the fund by the Legislature or by the Unclaimed Property and Estates Fund. Interest earned by the Unclaimed Property School Fund is credited to the fund and, upon approval of the State Land Board, shall be transferred before July 1 of each year to the Distributable Income Account of the Common School Fund. The Legacy Unclaimed Property School Fund is continuously appropriated to DSL to administer the fund and consists of moneys transferred to the fund by the Common School Fund Account, the Unclaimed Property Revolving Fund and funds held by DSL or OST as an estate administrator or as escheated estates that may be claimed. Interest earned by the Legacy Unclaimed Property School Fund is credited to the Common School Fund. DSL may transfer moneys in the fund to the Common School Fund and the Unclaimed Property and Estates Fund.

The Unclaimed Property and Estates Fund is separate and distinct from the General Fund and continuously appropriated to OST to administer unclaimed property and estates, pay valid claims to escheated or abandoned property and to administer the fund. The fund consists of unclaimed property (and proceeds thereof), penalties related to unclaimed property, escheated estates (including escheated funds), moneys transferred to the fund by the Unclaimed Property School Fund, interest earnings, and other moneys appropriated or transferred to the fund by the Legislature. Moneys in the Unclaimed Property and Estates Fund are not subject to expenditure limitation. The measure has various operative dates, and it takes effect on passage.

Department of State Lands

The measure does not transfer any positions (FTE) or require any fractional positions to be restored, which were transferred from DSL to OST by SB 454. The positions that were transferred from DSL to OST to administer the Unclaimed Property Program and the Estates and Escheated Property Programs are not directly impacted by this measure. While the measure directs DSL to transfer program balances to OST as the beginning balances of the

funds, it does not require any increase in staffing or expenditure limitation for DSL. There is no other fiscal impact to DSL.

Oregon State Treasurer

The measure provides the necessary funds for OST to operate the Unclaimed Property Program and the Estates and Escheated Property Program. While the measure moves the revenue authority for these programs to OST, they do not impose any additional responsibilities, workloads, or other functions that would obligate or require an increase in expenditure authority or staffing following transfer of these programs. Thus, the measure would not lead to increased expenditures or staffing increases in the 2021-23 biennium and beyond. Future programmatic growth and change is expected to be addressed via standard budget bills in the budget development process for subsequent biennia; otherwise, increased expenditures or staffing would not be related to this measure, other than providing the necessary funding authority for ongoing operations.

Revenues for the programs fund program expenses and required transfers. Thus, by moving the revenue authority for these programs from DSL to OST, the measure is not anticipated to decrease or increase revenues beyond what these programs already generate. Although DSL loses the ability to retain interest earnings, the measure simply transfers the interest earnings to OST.

The measure directs DSL to transfer the balance of net fiscal year 2021 activity to the Unclaimed Property and Estates Fund. The first transfer will occur on July 1, 2021 and is anticipated to be approximately \$50 million, according to OST.

The measure otherwise has no fiscal impact on OST. However, the measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of the impact of the continuously appropriated funds it creates.

Public Schools

The measure has no fiscal impact on public schools.