

February 20, 2014

The Honorable Pete DeGraaf, Chairperson
House Committee on Financial Institutions
Statehouse, Room 459-W
Topeka, Kansas 66612

Dear Representative DeGraaf:

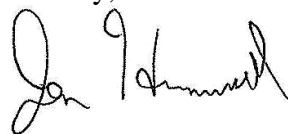
SUBJECT: Fiscal Note for HB 2687 by House Committee on Financial Institutions

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2687 is respectfully submitted to your committee.

HB 2687 would amend the Distribution of Unclaimed Property Act to allow the administrator to hold a hearing if there is a dispute in the results of the examination of the records regarding the disclosure of property reportable and deliverable under the Act. The presiding officer for the hearing would be appointed by the Office of Administrative Hearings (OAH). The bill would also strike language stating that a person who willfully refuses, after a written demand by the administrator, to pay or deliver property to the administrator is guilty of a class B misdemeanor.

According to the Office of Administrative Hearings, passage of HB 2687 would result in approximately five additional appeals each fiscal year. Each appeal would require an estimated twenty-five hours, for a total of 125 hours per fiscal year. OAH is entirely fee-funded and bills the agencies for which it performs the hearings. Because the agency could absorb the cases within its existing staff, there would be no fiscal effect on the agency. The State Treasurer also estimates that there would be five additional appeals each fiscal year, and estimates that the cost of the hearings would be \$2,800 each for a total of \$14,000. This amount would be paid from the Unclaimed Property Expense Fund, which receives unclaimed property receipts before they are deposited in the State General Fund. Thus, passage of the bill would result in a reduction of \$14,000 to the amount transferred to the State General Fund each fiscal year. Any fiscal effect associated with HB 2687 is not reflected in *The FY 2015 Governor's Budget Report*.

Sincerely,



Jon Hummell,
Interim Director of the Budget

cc: Derek Kreifels, Treasurer's Office
Bob Corkins, OAH