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FISCAL IMPACT REPORT

ORIGINAL DATE 02/10/09

SPONSOR Crook LAST UPDATED _____ HB 178

SHORT TITLE Uniform Unclaimed Property Recovery Fee Caps SB _____

ANALYST Gutierrez

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY09	FY10	FY11		
	NFI			

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total	Indeterminate See Below	Indeterminate See Below	Indeterminate See Below	Indeterminate See Below	Recurring	General

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

Administrative Office of the Courts (AOC)

SUMMARY

Synopsis of Bill

House Bill 178 caps, at 10% of the value of the property, the fee that can be paid for assisting an owner to locate, deliver, recover or assist in the recovery of property that is presumed abandoned.

FISCAL IMPLICATIONS

AOC:

There will be a minimal administrative cost for statewide update, distribution and documentation of statutory changes. Any additional fiscal impact on the judiciary would be proportional to the

enforcement of this law and commenced prosecutions. New laws, amendments to existing laws and new hearings have the potential to increase caseloads in the courts, thus requiring additional resources to handle the increase.

SIGNIFICANT ISSUES

TRD:

Unclaimed property is personal property (such as cash, checks, or jewelry) or certain intangible property (such as stocks and bonds) that has not been claimed by the owner (or heir) for a specified time period. Owners may recover their property free of charge if they contact the department directly. Alternately, locators may use public information to identify unclaimed property that has been in the possession of the department for more than 48 months. Locators may then contact owners and charge them a fee for processing the paperwork. Currently the only limit on locators' fees is that the fee cannot be "unconscionable". The proposed 10% cap prevents excessive finder fees and thereby protects taxpayers. The 10% limit would also bring New Mexico more in-line with fee limits in other states (a listing of states' current fee limits is provided below).

PERFORMANCE IMPLICATIONS

AOC:

The courts are participating in performance-based budgeting. This bill may have an impact on the measures of the district courts in the following areas:

- Cases disposed of as a percent of cases filed
- Percent change in case filings by case type

BLG/svb