



Legislative
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Nonpartisan Services for Colorado's Legislature

HB 19-1018

REVISED FISCAL NOTE

(replaces fiscal note dated January 17, 2019)

Drafting Number: LLS 19-0667
Prime Sponsors: Rep. Bockenfeld

Date: January 21, 2019
Bill Status: House Trans. & Local Govt.
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Bill Topic: END LOCAL GOV OPT OUT OF UNCLAIMED PROPERTY ACT

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill requires that local government transfer abandoned intangible property to the state. Local governments will transfer or pay the State Treasurer the value of intangible assets in FY 2019-20 or FY 2020-21.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note is being revised to correct errors in the fiscal note dated January 17, 2019. The fiscal note reflects the introduced bill.

Summary of Legislation

Under current law, private property in the custody of a local government that remains unclaimed after five years becomes subject to custody by the State Treasurer as unclaimed property. A local government may enact a local law or ordinance to dispose of property at the local government's discretion.

Beginning September 1, 2019, this bill only allows a local government to dispose of tangible private property in their possession. Intangible property is subject to the custody of the state as unclaimed property, and the local government must pay or deliver the intangible property to the State Treasurer no later than January 1, 2020.

Background

Tangible property refers to physical property, for example business equipment, inventory and machinery. Under the Colorado Unclaimed property act, intangible property includes money, checks, drafts, deposits, interest, dividends, and income. This bill requires that all intangible property become subject to the custody of the state once that property is deemed abandoned. The value and form of intangible property to be transferred to the state by cities and counties has not been estimated.

The State Treasurer administers the state unclaimed property program, and maintains the Unclaimed Property Trust Fund, which consists of the principal and interest from money collected by the administrator. With one exception, the fund principal may only be used to pay claims, and to support the administration of the unclaimed property program. Each year, the state treasurer also deducts a sufficient amount of principal and interest from the fund to implement an adult dental benefit assistance program.

Local Government

Under current law, some local governments retain all unclaimed property pursuant to local ordinance that otherwise would be turned over to the custody of the State Treasurer. Once property is considered abandoned, this bill requires that local governments transfer intangible property to the state, but may continue to dispose of tangible property. If local governments are able to realize a revenue benefit from the disposal of intangible property, that revenue will no longer be available.

Effective Date

The bill takes effect September 1, 2019, if no referendum petition is filed.

State and Local Government Contacts

Counties	Information Technology	Law
Local Affairs	Municipalities	Treasury