

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: SB 2327 Amendment to: \_\_\_\_\_

Requested by Legislative Council Date of Request: 1-27-97

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

It is anticipated that this measure would reduce the growth of the Common Schools Trust Fund by \$140,000 per annum. Based upon current returns on investments, this would result in a loss of approximately \$12,000 in distributable income from the Fund during the first year. The amount of lost income would increase by \$12,000 per year so that after five years the total reduction in distributable income would be approximately \$60,000 per year.

2. State fiscal effect in dollar amounts:

	1995-97 <u>Biennium</u>		1997-99 <u>Biennium</u>		1999-2001 <u>Biennium</u>	
	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>
Revenues:		Ø	\$36,000		\$84,000	
Expenditures:						

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1995-97 biennium: Ø
- b. For the 1997-99 biennium: Ø
- c. For the 1999-2001 biennium: Ø

4. County, City, and School District fiscal effect in dollar amounts:

1995-97 <u>Biennium</u>			1997-99 <u>Biennium</u>			1999-2001 <u>Biennium</u>		
<u>Counties</u>	<u>Cities</u>	<u>School Districts</u>	<u>Counties</u>	<u>Cities</u>	<u>School Districts</u>	<u>Counties</u>	<u>Cities</u>	<u>School Districts</u>
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If additional space is needed, attach a supplemental sheet.

SEE ATTACHED PAGE

Date Prepared: 02/03/97

Signed 

Typed Name Robert J. Olheiser  
Land Commissioner

Department ND State Land Department

Phone Number (701) 328-2800

Although this proposed legislation will not have a direct fiscal impact on our agency budget, it is important to note that it will have a significant impact on the additions to the Common Schools Trust Fund and the amounts paid to North Dakota owners of unclaimed property.

An analysis of the property types that would be eliminated by the proposed bill reveals that a total of over \$700,000 was collected for report years 1993, 1994 and 1995 combined. Based on this information, we expect that unclaimed property collections will be reduced by at least \$200,000 (approximately 10%) each year if this bill is passed. On average, we return about 30% of the money we collect to owners. This means that 1) there will be in excess of \$140,000 per year that will NOT be added to the Common Schools Trust Fund and 2) there will be in excess of \$60,000 per year that will NOT be returned to North Dakota residents.

In addition, future losses will include the following:

North Dakota is involved, along with several other states, in the audit of a nationwide merchandiser that maintains multiple North Dakota locations. Gift certificates and credit balances are included in the scope of this audit. If we exclude these property types from our law, the money due North Dakota citizens will be sent to Delaware (the state of incorporation) or to the state of corporate domicile.

Currently, a national firm is conducting an audit of a multi-state department store on behalf of many states. If this proposed legislation passes, the money due North Dakota citizens for the property types eliminated will be sent to Minnesota.