

FISCAL NOTE

Requested by Legislative Council
01/24/2005

Bill/Resolution No.: SB 2335

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$122,000	\$0	\$128,000
Expenditures	\$0	\$0	\$0	\$8,100	\$0	\$8,500
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The Unclaimed Property Act provides that abandoned property reported by holders is held in the Common Schools Trust Fund for the benefit of the owners or their heirs. This property is held indefinitely or until claimed, and in the interim earnings on that money accrue to the benefit of K-12 public schools.

Senate Bill No. 2335, sections 1 and 2, will require unredeemed gift certificates after 3 years to prospectively be reported and held in the Common Schools Trust Fund.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Taxable sales information from the ND Tax Department reveals 2003 gross sales of approximately \$3.4 billion that may be related to retail sellers that are likely to issue gift certificates. Evidence indicates that approximately 8 percent of the sales are attributable to gift certificate sales with up to 16% never being redeemed. Revenues for this fiscal note estimate 4 percent of sales attributable to gift certificates with 1 percent unredeemed resulting in an annual reported amount accruing to the Common Schools Trust Fund of \$1,350,000. This amount is multiplied by an investment return of 4.5 percent resulting in earnings of \$122,000 available to distribute to Fund beneficiaries.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

It is estimated that the current staff can process the additional holder reports and owner claims as a result of SB2335. Additional publication costs would be incurred and are estimated based on the current costs per owner name multiplied by an estimated 5,000 annual names reported.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget.*

Indicate the relationship between the amounts shown for expenditures and appropriations.

The Unclaimed Property Act provides continuing appropriation authority to pay publication costs.

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