

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-3823/1	Introduction Number AB-0721	
Description Escheat of abandoned U.S. savings bonds		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS		
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Fiscal Estimate Narratives

DOR 2/5/2016

LRB Number	15-3823/1	Introduction Number	AB-0721	Estimate Type	Original
Description Escheat of abandoned U.S. savings bonds					

Assumptions Used in Arriving at Fiscal Estimate

Current law does not allow the Department of Revenue (DOR) to escheat abandoned U.S. savings bonds and deposit the proceeds into the school fund as permitted for other intangible property. The bonds can arrive as unclaimed property with other safe deposit box contents. Under current law, DOR must hold the bonds until an owner or heir makes claim for the property. Based on current law, DOR does not advertise unclaimed U.S. savings bonds based on apparent bond owner for situations where the bond owner differs from the safe deposit box renter.

The bill establishes a process to escheat abandoned U.S. savings bonds if unredeemed by the owner for more than five years after the date of final maturity. Under the bill, the State of Wisconsin may take ownership of U.S. savings bonds if all of the following conditions are met: (1) one year has elapsed since the bond was presumed abandoned, (2) one year has elapsed since the Department published a public notice, (3) the U.S. savings bond is subject to the custody of the state as unclaimed property, and (4) a circuit court determines the savings bond is abandoned. DOR would redeem and deposit the U.S. savings bond proceeds into the school fund within three years of the circuit court order. The bond owner may file a claim before or after the court action to receive the bond or redemption proceeds. The bill would allow the Department of Revenue to notify and advertise the bond owner names in cases where the bond name differ from the safe deposit box renter.

The fiscal effect on the school fund is indeterminate. The department holds an estimated \$500,000 of U.S. savings bonds as unclaimed property. Any impact to the school fund would depend on the timing and volume of bonds that may be recovered before and after the proceeds are deposited into the fund.

The department estimates a one-time cost of \$26,700 to make changes to WINPAS, the software system used for unclaimed property and tax processing operations. These costs can be absorbed with existing resources.

Long-Range Fiscal Implications