

BILL ANALYSIS

Senate Research Center
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S.B. 1021
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Property Code and the Insurance Code both have sections that provide an option for holders to report properties in the aggregate without furnishing owner information if the value is less than \$50. Reporting information for properties over \$50 in value is required.

During Fiscal Year 2014, the comptroller of public accounts of the State of Texas received \$9.5 million reported as aggregate properties that could not be published, claimed, or returned to rightful owners because the property was received without owner information, limiting the consumer's ability to assert their ownership of the property. Additionally, there is growing public concern that some states are more focused on using abandoned property as a source of revenue than on returning that property to its rightful owners.

A large percentage of holders already opt to furnish information in their books and records for all unclaimed properties reported, regardless of the dollar amount. Since the vast majority of holders maintain their records electronically, the burden on holders to report the necessary details is substantially less than it was.

S.B. 1021 changes the threshold in the Property Code and Insurance Code for aggregate reporting from "less than \$50" to "less than \$25" in order to require the reporting of properties with an aggregate value of greater than \$25. This bill would take a step toward demonstrating that the Texas Legislature's priority is to assist its citizens in reclaiming their property, rather than trying to use abandoned property as a source of revenue.

As proposed, S.B. 1021 amends current law relating to reporting requirements for certain unclaimed property.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1109.051(d), Insurance Code, to authorize a life insurance company to report individual amounts of unclaimed proceeds of less than \$25, rather than individual amounts of less than \$50, in the aggregate without providing the information listed by Subsection (c) (relating to requirements for a report of unclaimed proceeds).

SECTION 2. Amends Section 74.101(d), Property Code, to authorize amounts due that individually are less than \$25, rather than amounts due that individually are less than \$50, to be reported in the aggregate without furnishing any of the information required by Subsection (c) (relating to requirements for a property report).

SECTION 3. Provides that Section 1109.051(d), Insurance Code, and Section 74.101(d), Property Code, as amended by this Act, apply only to a report filed on or after the effective date of this Act. Provides that a report filed before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 4. Effective date: September 1, 2015.