

Colorado Legislative Council Staff Fiscal Note

**FINAL
FISCAL NOTE**

Drafting Number: LLS 15-1064	Date: July 10, 2015
Prime Sponsor(s): Rep. Pabon; Willett Sen. Johnston	Bill Status: Signed into Law
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BILL TOPIC: EXEMPT LAWYER TRUST ACCOUNT FUNDS FROM UNCLAIMED PROPERTY

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue	Minimal reduction.	
State Expenditures	Minimal workload impact.	
FTE Position Change		
Appropriation Required: None.		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

This bill exempts lawyer Colorado Lawyer Trust Account Foundation (COLTAF) trust accounts from the Unclaimed Property Act managed by the Office of the State Treasurer.

Background

Lawyer COLTAF trust accounts temporarily hold funds of clients or third parties. When the client's whereabouts are no longer known to the lawyer, the lawyer may proceed under the Unclaimed Property Act to have the funds be considered as abandoned property and turned over to the State Treasurer.

State Revenue

The Unclaimed Property Trust Fund in the Office of the State Treasurer is an interest-earning account. All interest derived from the deposit and investment of moneys in the fund are credited to the fund. Each year, after paying claims and setting up a necessary reserve to pay anticipate claims and division expenses, the State Treasurer transmits an amount of the fund's principal and interest to sufficiently fund the Adult Dental Fund.

There are currently just over \$100,000 in COLTAF trust account funds held by the State Treasurer. Of this amount, the two largest accounts hold \$17,000 and \$12,000, while most other accounts hold \$2,500 or less. The bill is expected to reduce the amount of interest collected in the fund by less than \$1,000.

State Expenditures

While the bill results in the cessation of COLTAF trust accounts being turned over to the State Treasurer as abandoned property, the office manages a large number of accounts and COLTAF trust accounts amount to a very minimal amount of the Office of the State Treasurer's overall workload.

Effective Date

The bill was signed into law by the Governor and took effect on May 29, 2015.

State and Local Government Contacts

Judicial
Regulatory Agencies

Personnel and Administration
Treasury

Property Tax