

Proposed 2013 Session Legislation

Agency Name & No: Department of Revenue - 5801

Priority Number: 15 **Filename:** 5801\05-015

Short Title: Allow de minimus refund of abandoned property on closed estates

Agency Contact Person/Phone: Steve Austin/444-1479

1. Purpose:

This legislation would enhance the return of unclaimed property to rightful owners and simplify the process in cases where property valued at \$2,000 or less is due to successors of a closed estate that has a value of greater than \$50,000, without the requirement that the estate be reopened.

2. Background:

With this legislation the Department of Revenue, Unclaimed Property Unit, would be able to refund property valued at \$2,000 or less due to successors of a closed estate that has a value of greater than \$50,000, without the requirement that the estate be reopened. Under current estate statute (72-3-1101, MCA) the Department of Revenue is not allowed to refund any unclaimed property to a successor of the decedent if the estate was valued at greater than \$50,000 unless the estate is reopened. The cost to reopen an estate is estimated at \$400 - \$1,000, based on feedback received from claimants. It is not cost effective for successors to claim these properties due to the value of the unclaimed property to be recovered.

3. Fiscal Impact by Fund Type: *This impact should be as specific as possible.*

General fund would be reduced by approximately \$2,500 per year for amounts that become cost effective for successors to claim.

4. Summary Checklist [Check & complete all that apply]--

Housekeeping Only
 Federal Requirement
 Audit Recommendation (Audit No.)
 Major Legislation

Anticipated to be Controversial Legislation
 Bill Draft has been included in Legislation Submittal (if available)

Supports Submitted EPP Item Number:
 Local Government Fiscal Impact

Increases FTE, or
 Decreases FTE by
 List FTE amount and program:

Increases Existing Revenue
 Tax Fee Penalty [amount in #3]

Decreases Existing Revenue
 Tax Fee Penalty [amount in #3]

Establishes New Revenue
 Tax Fee Penalty [amount in #3]

Leg. has been Submitted in Previous Legislative Sessions (list priority no, LC no, or bill no):

Legislation would affect other state agencies (list):

Special Interest Groups Affected (list): Successors of closed estates, attorneys

Other: