



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 19-1018

FISCAL NOTE

Drafting Number:	LLS 19-0667	Date:	January 17, 2019
Prime Sponsors:	Rep. Bockenfeld	Bill Status:	House Trans. & Local Govt.
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Bill Topic: END LOCAL GOVERNMENT OPT OUT OF UNCLAIMED PROPERTY ACT

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill requires that counties transfer abandoned intangible property to the state. Local governments will transfer or pay the State Treasurer the value of intangible assets in FY 2019-20 or FY 2020-21.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Summary of Legislation

Under current law, private property in the custody of a county that remains unclaimed after five years becomes subject to custody by the State Treasurer as unclaimed property. A local government may enact a local law to dispose of property at the local government's discretion.

Beginning September 1, 2019, this bill only allows a county government to dispose of tangible private property in the county's possession. Intangible property is subject to the custody of the state as unclaimed property, and the county must pay or deliver the intangible property to the State Treasurer no later than January 1, 2020.

Background

Tangible property refers to physical property, for example business premises, equipment, inventory and machinery are all tangible property. Real estate and money are also considered tangible assets. Intangible property refers to non-physical property, which includes patents, trademarks, trade secrets, copyrights, debts, corporate branding, etc. This bill requires that all intangible property becomes subject to the custody of the state once that property is deemed abandoned. The value and form of intangible property to be transferred to the state by counties has not been estimated.

Local Government

Under current law, some counties retain all unclaimed property pursuant to local ordinance that otherwise would be turned over to the custody of the State Treasurer. This bill requires that counties transfer all intangible property to the state, but may continue to dispose of tangible property. If counties are able to realize a revenue benefit from the disposal of intangible property, that revenue will no longer be available for county use.

Effective Date

The bill takes effect September 1, 2019, if no referendum petition is filed.

State and Local Government Contacts

Counties
Local Affairs

Information Technology
Municipalities

Law
Treasury