

Fiscal Note

BILL # SB 1541

TITLE: housing trust fund; unclaimed property

SPONSOR: Alston

STATUS: As Introduced

PREPARED BY: Cameron Mortensen

Description

SB 1541 changes the annual distribution to the Housing Trust Fund from \$2.5 million to 55% of proceeds from the sale of unclaimed property. The proposal also includes a provision directing 40% of the 55% amount to be used for housing development in rural areas of Arizona.

Estimated Impact

We estimate the bill will increase revenue to the Housing Trust Fund by \$81.6 million in FY 2024 while decreasing General Fund revenue by a corresponding \$(81.6) million. Because proceeds from the sale of unclaimed property vary from year to year, the actual FY 2024 impact may be different from the \$81.6 million estimate provided.

Analysis

Unclaimed property includes intangible personal property such as traveler's checks, money orders, insurance settlements, and other miscellaneous types of property that are considered abandoned according to statute. This proposal would affect the distribution of monies derived from all unclaimed property collections. Using FY 2022 collections, we estimate total unclaimed property receipts of \$153 million. (This figure excludes about \$1 million of distributions to the Victim Compensation and Assistance Fund and Permanent School Fund mandated elsewhere in statute.) The General Fund portion of unclaimed property would be \$124 million, which is the excess unclaimed property after \$24.5 million (Arizona Department of Revenue administration), \$2.0 million (AHCCCS SMI Housing), and \$2.5 million (Housing Trust Fund) statutory deposits before the General Fund. If 55% of total receipts, or \$84.1 million, were to be deposited into the Housing Trust Fund, it would be an increase of \$81.6 million over the current distribution of \$2.5 million, with the General Fund taking an equivalent \$(81.6) million reduction annually.

Local Government Impact

None

2/22/23

