

BILL ANALYSIS

Senate Research Center

H.B. 2271
By: Thompson (Ellis)
Jurisprudence
5-1-97
Engrossed

DIGEST

Currently, under law on unclaimed property, a person who fails to pay or deliver property within a prescribed time must pay interest to the state treasurer and may pay attorney's fees and civil penalties as well. Counties that discover dormant accounts and determine the funds to be eligible for escheatment are caught in a Catch-22 situation. If the county sends the money to the state and the state is of the opinion that the money was not sent in timely enough, the state can charge interest and penalties to the county. This discourages counties from sending the money to the state. This bill will provide that the definition of "person" does not include a local governmental entity and its officers and employees for the purpose of liability concerning abandoned property.

PURPOSE

As proposed, H.B. 2271 provides that the definition of "person" does not include a local governmental entity and its officers and employees for the purpose of liability concerning abandoned property.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 74.705, Property Code, by adding Subsection (f), to provide that, in this section, "person" does not include a local governmental entity or an officer or employee of a local governmental entity who is performing the officer's or employee's official duties for the local governmental entity.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 1997.

SECTION 4. Emergency clause.