

Department of Legislative Services

Maryland General Assembly

2002 Session

FISCAL NOTE

House Bill 1375

(Delegate Krysiak, *et al.*)

Environmental Matters

Public Utilities - Unclaimed Funds - Energy Assistance

This bill requires that 75% of unclaimed deposits and unclaimed rebates from gas companies and electric companies in the State's abandoned property fund be distributed to the Victorine Q. Adams Fuel Fund in Baltimore City and other community action agencies throughout the State for critical need energy assistance. Funds will be distributed proportionately based on the amount of critical need energy assistance from the previous year for each region and Baltimore City. Any distributed funds may be transferred to other agencies for critical need energy assistance.

Fiscal Summary

State Effect: FY 2003 general fund revenues could decrease by \$8,900. Out-years reflect a constant average decrease in general funds.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
GF Revenue	(\$8,900)	(\$8,900)	(\$8,900)	(\$8,900)	(\$8,900)
Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	(\$8,900)	(\$8,900)	(\$8,900)	(\$8,900)	(\$8,900)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Comptroller deposits all abandoned funds, including proceeds from the sale of abandoned property, into a special fund. At the end of each fiscal year, the Comptroller:

- deducts the costs of administering the fund;
- distributes \$500,000 to the Maryland Legal Services Corporation;
- retains a maximum of \$50,000 in the fund to pay any claims against the fund; and
- distributes the remainder to the general fund.

The name and last known address, if any, of the owners of the distributed funds is recorded for any future claims that may be made.

Purchase price rebates that are issued to customers in the ordinary course of business may not be considered abandoned personal property. Because the law specifically excludes rebates, the bill language regarding rebates is considered without effect.

State Fiscal Effect: The Office of the Comptroller reports the following amounts for unclaimed deposits turned over to the fund from gas and electric companies for the three most recent years available: 1998 - \$10,038; 1999 - \$11,269; and 2000 - \$14,407.

Based on this, 75% of the money from unclaimed deposits that would be distributed to critical need energy assistance programs averages \$8,929 per year. There would be a corresponding decrease in general fund revenues. The Comptroller's Office reports the following total amounts turned over to the fund from gas and electric companies: 1998 - \$820,230; 1999 - \$152,335; and 2000 - \$240,385. Because the total amounts can vary substantially from year to year, no growth in unclaimed deposits is assumed in the out-years.

Additional Information

Prior Introductions: None.

Cross File: SB 681 (Senator Sfikas) – Finance.

Information Source(s): Maryland Energy Administration, Public Service Commission, Office of People's Counsel, Office of the Comptroller, Department of Legislative Services

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