

FISCAL NOTE

The fiscal impact is indeterminable as the percentage invested in Pool A is unknown. The State Treasurer's Office (STO) indicates that historically, over the long run, investment in equities have demonstrated higher total returns than investing in fixed income strategies only.

This bill would allow for a percentage of the Unclaimed Property Account to be invested in Pool A after STO determines the funding needs for current obligations. This bill also would allow for investment earnings on the unclaimed property account that exceed the amount necessary for operation for the fiscal year and which exceed the amount equal to 100% of the immediately prior biennium's appropriation for the unclaimed property division, to be deposited into the General Fund. In addition, the Unclaimed Property Account has been growing by approximately \$2,000,000 per year over the last three years, which will allow for more investment within Pool A over time.

The Treasurer's Office projects yields in FY21 through FY23 to be around 2.84% for Pool A. Yield is defined as the interest and dividend income from the investment. Total return is defined as growth in the value of the investment, including both yield and realized & unrealized gains.