

SUSAN McLAIN
STATE REPRESENTATIVE
DISTRICT 29



May 8th, 2017

Dear Chair Barnhart, Co- Vice Chairs, and Members of the House Committee on Revenue:

With a \$1.6 billion budget deficit to consider, it is essential that our Oregon legislators look for all possible avenues to provide a sustainable funding source to support, protect, and improve our public schools. House Bill 3430 is a step toward that goal. I am proud to sponsor this bill, and will continue to push for its success.

Today, there is approximately \$595 million of unclaimed property in the State of Oregon, which is not being utilized due to Oregon statutes that prohibit the state from withdrawing money from the unclaimed property account. The proposed bill would allow the Department of State Lands to annually distribute funds from the unclaimed property account to the Common School Fund after the unclaimed property has been left vacant for 25 years or more. This would provide us an opportunity to open up a new source of revenue for our education system.

Based on numbers from the fiscal year 2016, \$26,000,000 would be immediately available for use for the Common School Fund. This additional funding would mean new revenue for each school district, including school districts within House District 29. By opening up funds from the unclaimed property account, the Forest Grove school district could potentially receive an additional \$274,075 in revenue, while Hillsboro could receive \$925,589.

There are amendments that will make the bill more effective. The proposed amendment is to remove the requirement to have the General Fund reimburse a citizen if they claim their property after 25 years. Instead, the amendment would create a revolving account that would have no less than \$100,000 in it at any time, and to hold 1% of each disbursement for repayment. This would ensure that we do not overuse or drain the unclaimed property account and further burden the General Fund. Another amendment that would be proposed is to make the disbursements occur biennial instead of every year, so that the disbursement would coincide with other Oregon disbursement plans in the budget process.

Thank you for your consideration,

Representative Susan McLain

